MUFTI
MUMBAI

CREDO BRANDS MARKETING LIMITED
(fka Credo Brands Marketing Private Limited)
Plot No. B, 8, MIDC Central Road, Marol MIDC,
Andheri (E), Mumbai - 400093. INDIA
Tel. No.: +91 22 6141 7200 Email: helpdesk@mufti.in
Website: Corporate: www.credobrands.in
E-commerce: www.muftijeans.in
CIN: L18101MH1999PLC119669

August 05, 2024

To	**To**
BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers	Exchange Plaza, C-1, Block G
Dalal Street, Mumbai – 400 001	Bandra Kurla Complex
	Bandra (E), Mumbai – 400 051
Scrip Code: 544058	**Scrip Symbol: MUFTI**

Dear Sirs,

Sub.: Notice of 25th Annual General Meeting and Annual Report of the Company for the Financial Year 2023-24

This is further to our Letter dated July 30, 2024, intimating that the Twenty-fifth Annual General Meeting ("AGM") of the Members of the Company will be held on Friday, August 30, 2024 at 12:30 P.M. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

Pursuant to Regulation 34(1) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed herewith the following:

1. Annual Report for the financial year 2023-24; and
2. Notice convening the 25th Annual General meeting of the Company

The aforesaid documents are being mailed only through electronic mode to those Members, whose email IDs are registered with the Company, Registrar and Transfer Agent or the Depositories.

The aforesaid documents are also available on the Company's website: www.credobrands.in

This is for your information and records.

Yours faithfully,
For **Credo Brands Marketing Limited**

Sanjay Kumar Mutha
Digitally signed by Sanjay Kumar Mutha
Date: 2024.08.05 08:32:59 +05'30'

Sanjay Kumar Mutha
Company Secretary and Compliance Officer

MUFTI

Annual Report
2023-24

Across the Pages

Corporate Overview

Statutory Reports

Financial Statements

Investor Information

Market Capitalisation as at March 31, 2024	₹ 10,765.13 million
CIN	L18101MH1999PLC119669
BSE Code	544058
NSE Code	MUFTI
ISIN	INE220Q01020
Dividend Proposed	Final dividend of ₹ 0.50 per equity share for FY 2023-24
AGM Date	August 30, 2024
AGM Mode	Video Conferencing / Other Audio-Visual Means

For more investor-related information, please visit **https://www.credobrands.in**

Scan this QR code

Disclaimer: This document contains statements about expected future events and financials of credoLimited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

MUFTI

Unique. Creative. Expressive.

For over 26 years, MUFTI has stood at the frontline of creative, expressive, and unique menswear. The brand embodies these principles in every garment it creates, exemplifying expressive elegance and individuality. MUFTI has been a trailblazer in the Indian fashion landscape, cementing its position and continuously redefining menswear in the country.

MUFTI lives to inspire people to be expressive. To us this feeling is captured directly in the creatively stimulating city of Mumbai. Mumbai will embrace you while you do what you must; this city has a distinct air of inclusivity about it. Here, all things seem possible, whispering your dreams to you in the night, rushing you out to meet the unforgiving day in the morning.

The city will give you hope, will put you through the grind, will test your limits. It will forge you and reforge you, teach you, test your courage, help you hone, and master, and refine your talent. And it will transform you. It will distill your courage into a refined boldness and make it known to the world.

This is the city where MUFTI was born, forged, and refined. We understand the city deeply, we embody its spirit and not just the physical aspects. MUFTI creates expressive fashion inspired by the creatively stimulating nature of Mumbai.

MUFTI's dedication to uniqueness sets it apart, offering a diverse array of wardrobe solutions that cater to various styles and occasions. This commitment ensures that every man finds something that resonates with his taste. Each piece is meticulously designed to stand out, embodying the perfect blend of fashion, function, comfort and style.

Mufti Is The Brand For A Man Who Seeks To Elevate His Expression Of Style.

MUFTI goes beyond being just a brand; it is a lifestyle. It embodies boldness, expressiveness, and uniqueness, making each piece of clothing more than just attire—a personal statement. Enter the world of MUFTI, where fashion uniquely fuses individuality with design excellence.

MUFTI

Yesterday

Defining the Art of Fashion Since 1998!

Founded by a then young, still curious, forever entrepreneurial, Mr. Kamal Khushlani, in 1998, MUFTI drives the philosophy of always fresh, always new, always fashion. Since then, the brand has consistently been seen to revolutionise casual menswear in India. From its inception, season on season, MUFTI has delivered extraordinary designs and high-quality apparel to its consumers. From the short length, slim fit, never-to-be-tucked-in shirt, to the introduction of skinny stretch jeans for men; the brand's ability to forecast trends, bet big on them, and deliver not just sales, but credibility with consumers — MUFTI has led the way in delivering the blueprint on building homegrown brands. Every milestone, strategic retail expansion, and unique product offering, reflect a legacy of constant evolution and dedication to quality. This dynamic journey sets the stage for tomorrow's trends today.

MUFTI - Yesterday

Embracing Our Roots

The brand has always embraced its Indian roots, from the time of choosing its name to recognising Mumbai as its muse.

Innovative Vision

MUFTI has consistently introduced new concepts for menswear, whether it was the slim fit shirts or stretch jeans for men, pushing newness and style in menswear.

Revolutionising Menswear

Since its launch in 1998, MUFTI has been the new paradigm in menswear; creative, expressive, always redefining fashion for contemporary Indian male.

Evolution Since '98

Since 1998, MUFTI has evolved from a label to a nationwide phenomenon, symbolising a journey of growth, innovation, and constant evolution.

Resilience Amid Challenges

Managing change effectively, while never compromising on growth, has been one of the hallmarks of MUFTI's success along the 25-year journey.

OUR STORY

HOW IT BEGAN

The year was 1992, and a young Kamal Khushlani, who was a film enthusiast got curious about the world of fashion. What started as an effort to get some good pics for a portfolio was soon an intrepid journey inthe world of contemporary menswear. He called his brand 'Mr. Mister', named after his favourite band, and their hit single 'Broken Wings' was his go-to song, one that played endlessly as if on loop in his mind as he rode on his motorbike from retailer to retailer, city to city.

He faced many a door that shut in his face, as he faced dauntlessly the challenges of sometimes-rejection-but-never-hopelessness. He would constantly, as his song goes, learn to fly again.

Along this flight path, he decided to change the name of the brand; to be true to his roots and unabashedly Indian. MUFTI was his zag against the zigs of the fashion world of that time. He called it MUFTI because it stood for non-uniform wear.

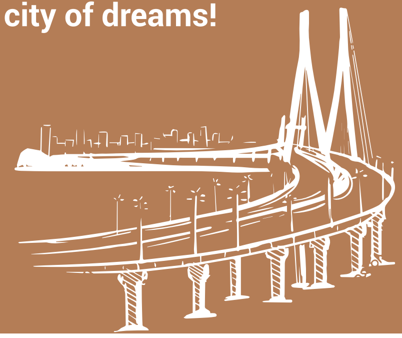
MUFTI

was born at the turn of the century. Now airborne since 1998, MUFTI has come to redefine menswear constantly over the last twenty five and more years.

Being young and free-spirited was his only capital and he slowly charted a course that focussed on retail from wholesale over the next decade. While the rest of the world was hinged on uncertainty, in 2008 MUFTI opened the doors to its first stores, from Bandra to Bangalore.

Over the last few years, MUFTI has felt the urge to further evolve. All the love and adulation of its patrons, and the brand's presence in their transformative life journeys, inspired Khushlani to reflect, to search his soul, for the source of his inspiration while he created this much-loved brand. Intensive research and extensive exploration helped arrive at the soul of MUFTI – Mumbai, the muse.

Thankfully all the external inputs only solidified what his heart already sang - the song of Mumbai, the city of dreams!



From the introduction of stretch jeans in 1999 to the flagship denim offering, the knitted stretch Denim Deluxe, MUFTI has offered the best in comfort and style to its patrons, while constantly setting the benchmarks to aspire to for our competition. Today, the offer from MUFTI ranges from shirts to t-shirts to jeans to outerwear.

Each of these product lines strives to deliver creative excellence through MUFTI's bold & expressive style while being contemporary and innovative at heart.

Whether it is the vintage & military inspired Authentic Casual line, the easy everyday Relaxed Casual, the everyday city-inspired Urban Casual line, or the sporty and ever-comfortable Athleisure line, MUFTI offers complete wardrobe solutions to the contemporary Indian man.

Kamal's personality is so inextricably linked to his brand that the next opportunity was not seen but smelt. Kamal's passion for fragrances opened the doors and today the brand offers a line of Eau de Parfums, named for iconic parts of Mumbai. Constantly weaving the spirit of Mumbai into its various graphics, be it a badge or a print, MUFTI endeavours to deliver the global and contemporary flavour of Mumbai while altogether avoiding the taste of ethnic kitsch that is otherwise associated with brands that are rooted in India.

What was once called a fledging flew across skies and across time. Its wing span grows and its surge lifts it higher. But its eye is still searching and its soul is still looking to encompass more.

From Mumbai To India
From India To The Rest Of The World
Constantly Creating
Constantly Transforming
Constantly Evolving
Mufti
Mumbai
Airborne
Since 1998

The MUFTI Story - Redefining Men's Fashion

MUFTI emerged to revolutionise men's fashion, filling the void with bold, innovative styles when choices were few. Launched with a vision to redefine Indian menswear, MUFTI offered a fresh, non-uniform alternative to the predominantly formal market, breaking away from convention and setting new fashion trends.

Mumbai – Holds Us Together
Makes Us Stay
Makes Us Fly
Airborne Since 1998

1998

Runway to Revolution - The Takeoff

Recognising the lack of individuality in menswear, Kamal's drive for self-expression sparked the birth of MUFTI. The brand emerged from his quest for stylish, contemporary casual clothing for men. From its inception, the brand stood as an accessible destination for the modern Indian man to express his sense of style, and be noticed for his elegance and creativity.

2000s

Ascending through Innovation - Stretching the Limits

Already successful with the slim shirt, MUFTI's introduction of stretch jeans propelled the next phase of growth. This was further buttressed by the premium flagship Denim DeLuxe line, a knitted stretch denim combining comfort and style. Each MUFTI product line aims to set new benchmarks, offering creative excellence through bold, contemporary, and expressive designs by employing innovation to find, design, and curate the latest in menswear.

2006

Runway Expansion - Building National Network

Already available in Multi-Brand Outlets (MBOs), in 2006, MUFTI launched its first Exclusive Brand Outlet (EBO) to strengthen conusmers' connection with the brand, with a view to expand market share. By rapidly expanding the EBO network nationwide and embarking on brand campaigns, MUFTI increased awareness and strengthened its market presence.

2008-2017

Navigating Economic Headwinds - Turning Turbulence into Triumph

As the world braced itself in 2008, MUFTI chose to invest in its growth. With a view to drive greater visibility, MUFTI signed a contract with the Times of India, committing to expand our consumer base. In 2009, a massive pan India campaign propelled the brand to new heights. Indian men, across cities and towns embraced MUFTI's unique offerings, often bringing newspaper clippings to request specific products. The Company started paying dividend since FY 2015 and has been continuously growing, and winning accolades.

2018

Onwards: Reimagining Flight Paths - Elevating the MUFTI Experience

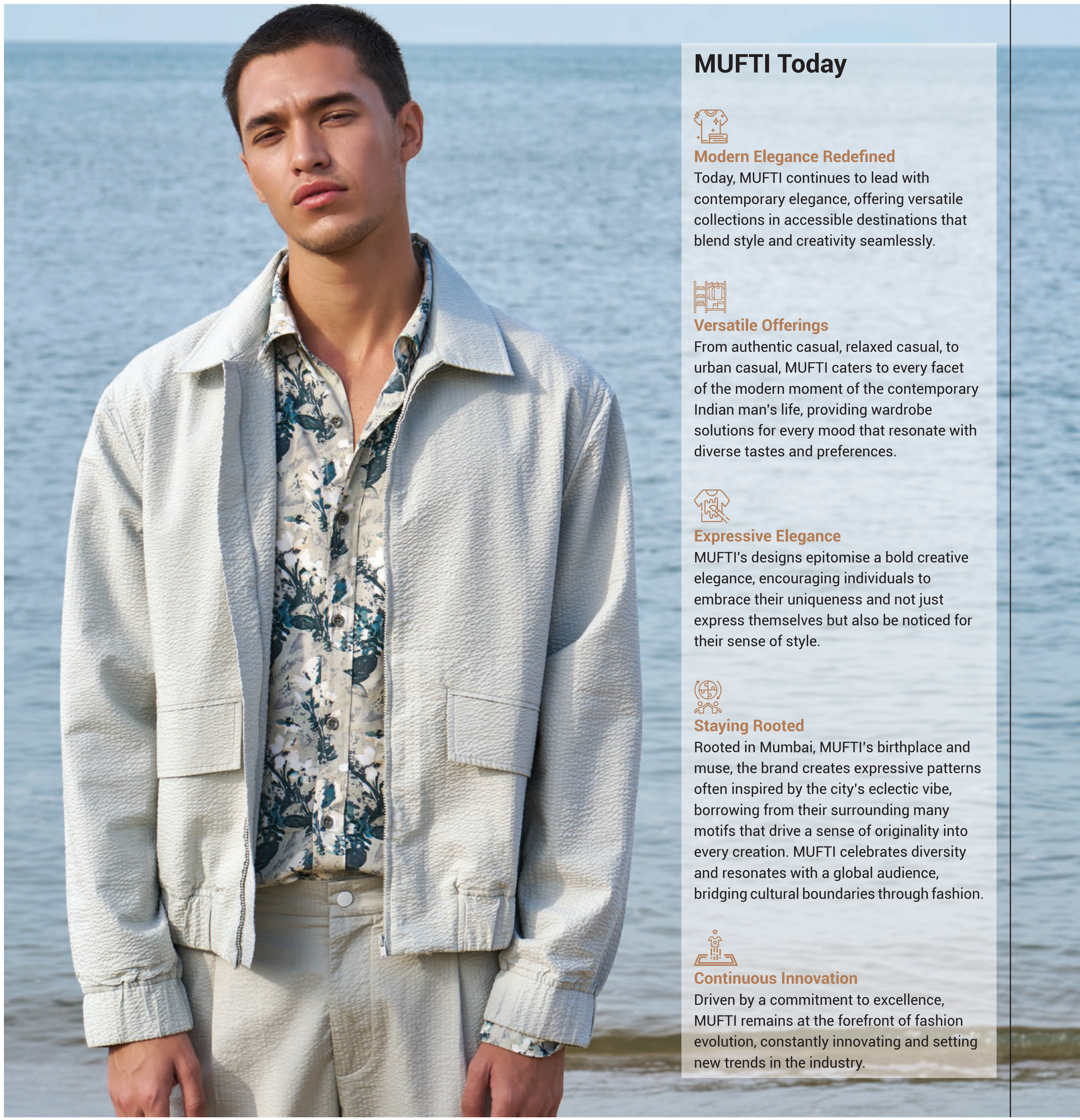
2018 brought new questions – What is our destiny? What will be our legacy? MUFTI recognised the change in India, the consumers' desire to premiumise. The brand began an introspective journey to define its direction going forward, believing in its ability to compete with global competition. Navigating changing retail landscapes and consumer aspirations, MUFTI embraced its uniqueness, undergoing a comprehensive transformation in brand identity, retail presence, and merchandise architecture. The result was a brand renewed and refreshed, pulsing with new energy, aligned with its core values of non-uniformity, innovation, and individuality.

As MUFTI continues to spread its wings, the brand remains committed to its core values, fearlessly pushing boundaries and inspiring individuality with every stitch.

MUFTI *Today*

Contemporising Premium Mens Fashion In India

MUFTI - Today, India's leading homegrown casual menswear brand captivates modern consumers with innovative products to deliver contemporary style. Recognising the rapidly evolving fashion landscape and changing consumer preferences, MUFTI rebranded to redefine its identity. The strategic move was fuelled by a desire to stay ahead of the curve, reiterating the brand's fashion-forward roots. Following this rebranding, MUFTI nurtures a loyal customer base known as the 'Muftisphere' through creative designs. Driven by a commitment to evolve and push boundaries, the rebranding exercise reinvented MUFTI while cementing its position as an industry pioneer. As a trendsetter, MUFTI opened its 425th store, maintaining over 1,800 vibrant touchpoints across 599 cities nationwide. This extensive and accessible retail presence brings MUFTI's unique style to the contemporary Indian man, allowing him to immerse in the brand experience.



MUFTI Today

Modern Elegance Redefined
Today, MUFTI continues to lead with contemporary elegance, offering versatile collections in accessible destinations that blend style and creativity seamlessly.

Versatile Offerings
From authentic casual, relaxed casual, to urban casual, MUFTI caters to every facet of the modern moment of the contemporary Indian man's life, providing wardrobe solutions for every mood that resonate with diverse tastes and preferences.

Expressive Elegance
MUFTI's designs epitomise a bold creative elegance, encouraging individuals to embrace their uniqueness and not just express themselves but also be noticed for their sense of style.

Staying Rooted
Rooted in Mumbai, MUFTI's birthplace and muse, the brand creates expressive patterns often inspired by the city's eclectic vibe, borrowing from their surrounding many motifs that drive a sense of originality into every creation. MUFTI celebrates diversity and resonates with a global audience, bridging cultural boundaries through fashion.

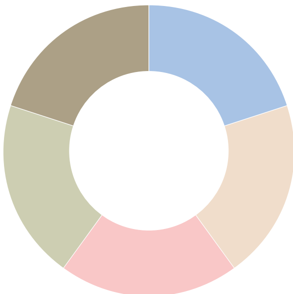
Continuous Innovation
Driven by a commitment to excellence, MUFTI remains at the forefront of fashion evolution, constantly innovating and setting new trends in the industry.

Mumbai-Inspired Collection: A Stylish Ode to the City of Dreams

MUFTI's Mumbai-Inspired Collection captures the dynamic spirit and cultural richness of Mumbai just like many other brands globally draw inspiration from their respective muse. Our collection showcases a balanced range of tops, bottoms, and outerwear, offering complete modern wardrobe solutions all under one roof. Dedicated to creativity and bold designs, our collection infuses youthful energy, enabling fashion-forward individuals to showcase their unique style.

Mumbai – Holds Us Together
Makes Us Stay
Makes Us Fly
Airborne Since 1998

Product Mix



Product Category (%)

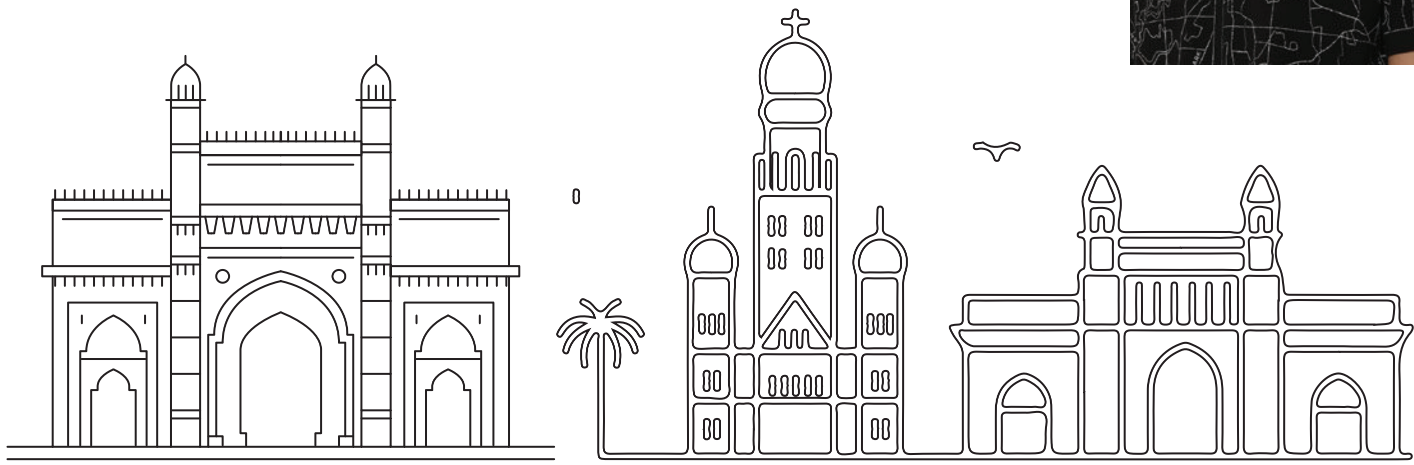
Shirts	40.41
Bottomwear	38.16
T-shirts	12.17
Outerwear	6.48
Others	2.78

The Iconic Gymkhanas of Mumbai inspired our designers to create this sweatshirt. The Kala Ghoda becomes a badge, 'Sub Alis Libertatis' translates to under the wings of freedom - a promise Mufti makes - and all the elements come together to deliver a varsity inspired sweatshirt.

The Gateway of India! Is there anything that embodies Mumbai's spirit. Here as a digital print, the Gateway has been rendered using an almost cubist expression. The kites fly around this monument on this epic shirt. Designed exclusively by our design team.

The Indian Black Kite, the Coppersmith Barbet, and our own Mufti Bird are incorporated into this artisanal floral pattern that is inspired by the wallpapers in the salons of heritage Mumbai buildings. This authentic artwork created by our designers is a nod to the Arts & Crafts movement and William Morris - a renowned print designer from the Victorian era.

This T-shirt has a hand-drawn map of the streets of Mumbai, and while being global in appeal, is authentic to us.



MUFTI

- A Resurgent Brand Identity

In 2018, MUFTI embarked on a transformative journey of rebranding to realign with its core values. Driven by the desire to tell its unique story, MUFTI refined every aspect of its identity, enhancing everything from its product line to its visual presentation. By embracing its commitment to non-conformity, innovation, and individuality, MUFTI successfully aligned its brand to authentically resonate with its audience by refining and adding layers of elegance and sophistication. Thus positioning the brand for sustained growth and relevance in new premiumised Indian menswear market.

Driven by evolving consumer aspirations, the premiumisation trend and a need for nationwide expansion, MUFTI embarked on a comprehensive brand reinvention. This strategic move involved revamping its merchandise architecture to offer versatile clothing solutions catering to multiple occasions. Additionally, MUFTI differentiated its brand identity and retail experience to create a distinct narrative, enabling it to stand out amidst intense competition. Furthermore, the brand embraced digital channels for an omnichannel presence, appealing to the fashion-forward, youthful consumer. Repositioning itself as a premium offering, MUFTI revamped its logo and introduced a new tagline – 'Airborne since 1998' – reflecting its bold ethos. The overhaul of MUFTI's visual identity, including merchandise and retail environments, was designed to create a modern, fresh look that authentically appeals to a wider customer base.

MUFTI's Revamped Logo

According to the great Indian poet, Tagore, in Sanskrit, birds are described as being 'twice born' - once in their little shell and then finally in the freedom of the unbounded sky. This is true also for human beings. MUFTI's efforts in asserting its identity have culminated in the redesign of its brand, retail, and merchandise identities, manifested and held together by the new logo, reminiscent of a bird, the in flight .

This bird was derived from the Devanagari letter म ' as both MUFTI and Mumbai starts with म .

Adorning storefronts and garment pockets, it reflects the brand's bold ethos and Indian roots, embodying Mumbai's journey from tradition to modernity. This creative reinterpretation captures attention, communicates global aspirations, and honours cultural heritage while showcasing innovation.

Reinvented Retail Identity

The Store Layout Is Crafted To Mirror Mufti's Core Values And The Vibrant Spirit Of Mumbai, Which Inspires The Brand.

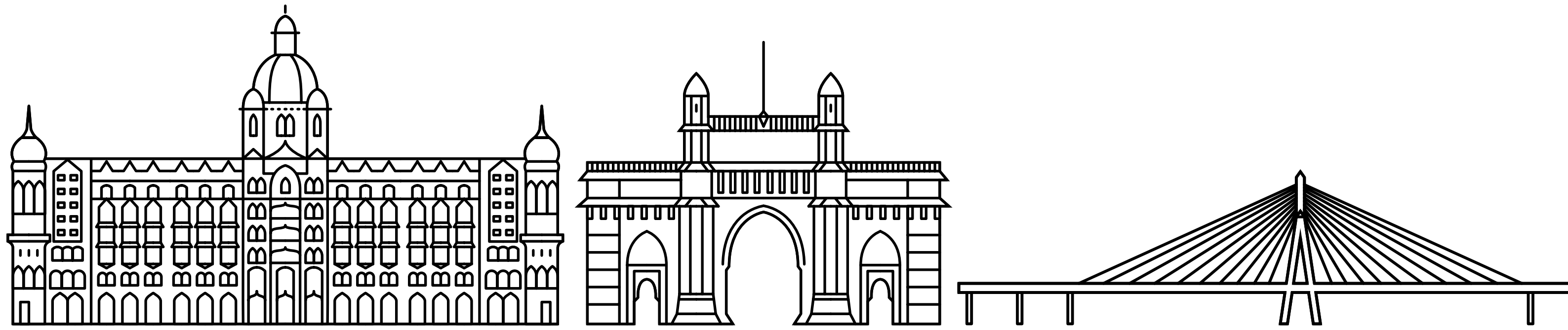
MUFTI's ceiling fans pay homage to the spirited energy of Mumbai Local trains, resonating with bustling trains and injecting spaces with vitality.

Reflecting the efficiency of construction site lifts, MUFTI's changing rooms provide a space where customers can authentically express their unique style and personality.

The till, fashioned from plywood reminiscent of construction sites, serves as a symbol of the ever-evolving nature of both the city and individual style, embodying an ethos of perpetual refinement.

Revamped Merchandise Architecture

MUFTI's store displays are strategically designed to reflect its lifestyle philosophy, with every element curated to enhance the brand's identity and provide an immersive shopping experience. The brand continuously innovates its product lines, including Authentic Casual, Relaxed Casual, Urban Casual, and Athleisure, to cater to diverse styles across multiple occasions in our consumers lives.



MUFTI - Redefining Menswear in India

MUFTI is an Indian brand that captures the vibrant spirit and resilience of the city of Mumbai. With a commitment to redefining Indian fashion, the brand offers bold and expressive designs that resonate with the modern Indian man. Since its inception, MUFTI has carved a niche in the premium range, catering to a diverse array of eclectic, relaxed, and casual menswear, which has gained increasing popularity among customers.

The brand boasts strong customer recall, cultivating a loyal following known as the 'Muftisphere'. This dedicated community of patrons embodies the brand's ethos of individuality and self-expression, embracing its unique blend of tradition and innovation. With an extensive presence across the nation, MUFTI ensures accessibility and convenience for customers from diverse backgrounds and regions.

At the heart of the brand's success is its design-focused approach and its asset-light manufacturing model that helps maintain efficiency and quality. By collaborating with numerous suppliers and manufacturing partners, MUFTI ensures a seamless production process, delivering apparel that reflects its commitment to excellence and innovation.

Vision

MUFTI is home to those who live to express themselves. And by being a strong voice, we hope to inspire more people to join our tribe. MUFTI lives to inspire people to be Expressive.

Ethos

MUFTI creates fashion inspired by the creatively stimulating nature of Mumbai.

MUFTI is the brand for a man who seeks an expressive sense of style.

Mission

Deliver the New – MUFTI will remain true to our core, and yet be the first to deliver the new. We will make everything that helps bring to life 'the Expressive'.

Encourage Talent and the Talented – MUFTI speaks in one voice – reflecting our faith in talent, encouraging it across platforms – to be always Expressive, Creative, Vibrant, and Refined.

Drive Profitability – MUFTI will always be committed to be profitable first and foremost, delivering value for the business and thereby for its shareholders.

1,834
Touchpoints

425
Exclusive Brand Outlets

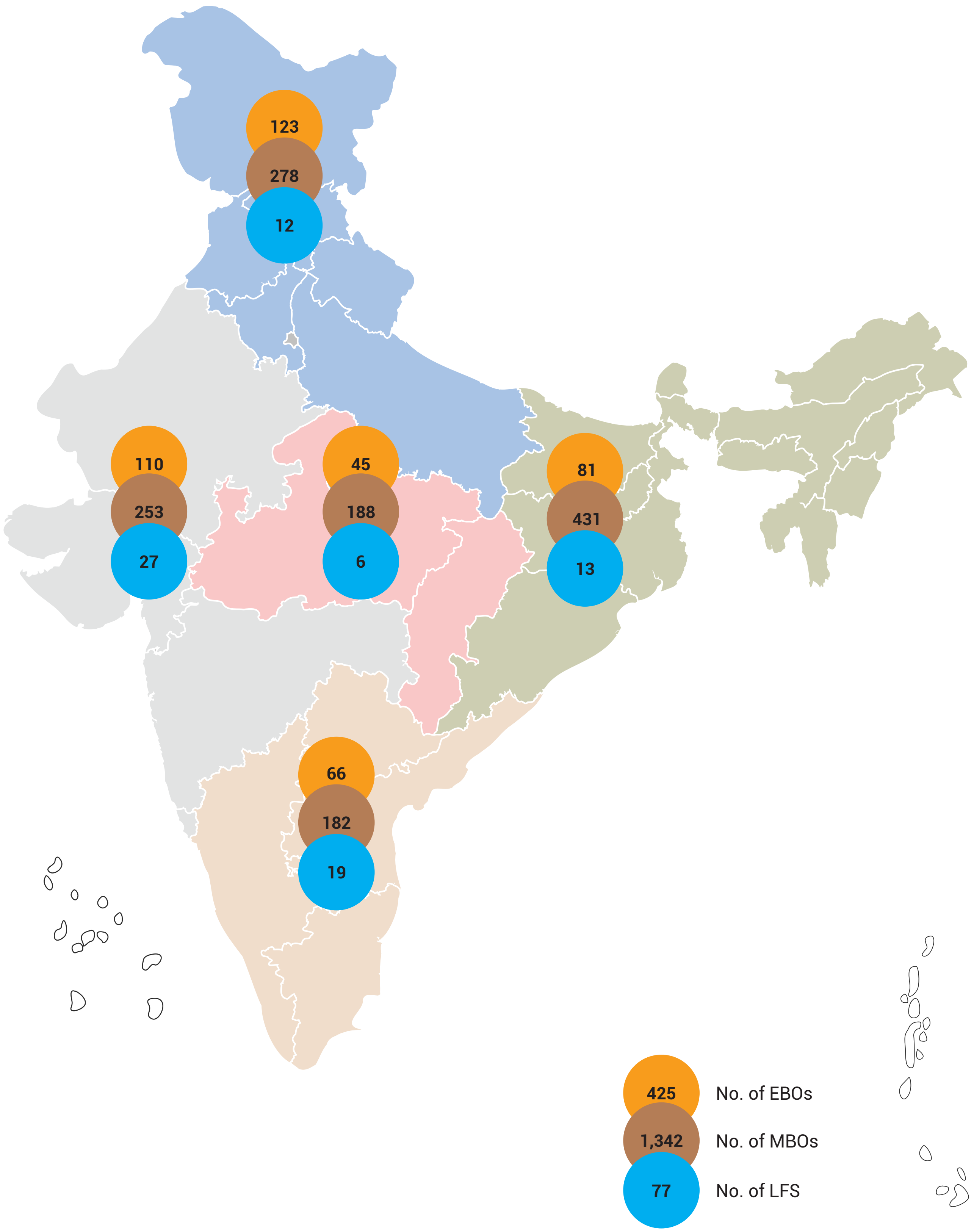
599
Cities' Presence

~48
Suppliers

Over 2.8 million
customers on 'Muftisphere'

Expanding across the Nation

MUFTI's remarkable journey is reflected in its expanding retail presence across India. It began with Multi-Brand Outlets (MBOs) and evolved to include Large Format Stores (LFS) and Exclusive Brand Outlets (EBOs), followed by an online presence. This strategic growth has enabled MUFTI to reach urban and semi-urban customers, making its collections widely accessible. From standalone stores to shop-in-shops and a robust e-commerce platform, MUFTI's omnichannel approach caters to the evolving shopping preferences of its target audience, establishing a strong nationwide presence.



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

Brand's Evolution through the Years

From the genesis of the brand to its present-day stature, MUFTI has traversed numerous milestones that have sculpted its identity. With a diverse portfolio of products, MUFTI continues to push boundaries and set new standards in the fashion landscape.

1998

Launched brand 'MUFTI'

2008

Received investment by Bennett Coleman & Co Limited

2010

Opened 100th store

2011

Selected as the 'Indian Power Brand' by the Indian consumers

2013

- Opened 200th store
- Awarded the title of Badshah-e-Hind - Esteemed King of India at GlamMe Awards
- Awarded Most Admired RMG Manufacturer – West

2015

- Promoter awarded with the title of Most Talented Retail Professional by CMO Asia
- Honoured with Retail Leadership Award at Retail Excellence Awards

2019

- Reinvented the brand philosophy and launched the new logo
- Opened 300th store
- Received Retailer of the Year (Fashion & Lifestyle) Award at Global Awards for Retail Excellence by ET Now

2023

- Opened 400th Store
- Got listed on the NSE and BSE

2024

- Mufti forges strategic alliances with digital giants, propelling brand visibility and driving growth across platforms

From the Chairman's Desk

Kamal Khushlani
Chairman and MD

Now, 26 years later, we are driving the resurrection of the relaxed fit, as seen on all of our screens, by influencers, celebrities, and trendsetters; characteristic of our ability to read and respond to change, to remain ahead of the curve with changing times.

Dear Shareholders,

I feel privileged to address you, for the first time following our successful Initial Public Offering. This milestone marks a significant chapter in MUFTI's journey, and I am deeply grateful for the trust and confidence you have placed in us.

The Story of MUFTI

As I reflect on MUFTI's remarkable journey since its inception in 1998, I am filled with both pride and gratitude. MUFTI has emerged as a home-grown Indian brand deeply rooted in the vibrant spirit of Mumbai – a city known for its resilience, cultural diversity, and constant evolution. These qualities have profoundly shaped MUFTI's design philosophy, enabling us to adapt and innovate in tandem with the ever-changing fashion landscape.

MUFTI was born at the cusp of the millennium; as the creative-minded, free-spirited, post-liberalisation, expressive young Indian man was ready to start experimenting and go beyond the blue and white. The fashion industry is known for its dynamism, with significant shifts in trends occurring every couple of decades. Styles come into trend, fade, and make comebacks, reflecting the cyclical nature of fashion. Over the first decade of our existence, we witnessed, responded, and championed the cause of 'Slim fit'; moving on from a boxy, and baggy silhouette. Now, 26 years later, we are driving the resurrection of the relaxed fit, as seen on all of our screens, by influencers, celebrities, and trendsetters; characteristic of our ability to read and respond to change, to remain ahead of the curve with changing times. **MUFTI was born distinguished by its creative, bold, and expressive designs for the contemporary Indian man, offering something distinctly different from what was available in the market.**

From our inception as a brand offering shirts, MUFTI has evolved into a menswear lifestyle brand across categories, offering a wide range of products, from shirts to t-shirts, to trousers and jeans, cargoes, jackets, and more. Our vision is not only to cater to the diverse Indian consumer but also to inspire and elevate fashion landscapes, taking Indian fashion to the global stage.

We redesigned our logo, taking inspiration from the Devanagari script, symbolising our Indian roots and the dynamic spirit of a bird in flight, reflecting our bold and expressive designs.

We were born into a fragmented, unorganised market with multiple regional players. This is an opportunity we seized; in menswear; we sought to fill the gap with a brand that reflected a new rising India with our shorter cut, slimmer fit shirt. We initially sold our products through a few retailers. Initial success was hard to come by, and we had to fight tooth and nail to gain every inch of our retailers' shelves and consumers' wardrobes. As we grew, the brand gained popularity, we opened our first Exclusive Brand Outlet (EBO) in 2006 and stepped into the world of branded retail.

20 years on, and many milestones later, we had been able to realise most of our goals from those early years. We then, in 2018, embarked on a journey of introspection. To see what possible future lies ahead. Yes, we were profitable. Yes we still had loyal consumers. India was no longer merely changing, a lot had changed. Which brought us to the question - Have we built a brand, something that can transcend generations, a legacy? A new trend in menswear was on the horizon, the Indian man had evolved, our consumers were looking not just for premiumised product but also a premium experience. The landscape of style and trend, of demand and expectation was changing. It is at this time we chose to deliver our revamp. To resonate deeper with contemporary consumers and solidify MUFTI's place in the ever-changing fashion world.

We redesigned our logo, taking inspiration from the Devanagari script, symbolising our Indian roots and the dynamic spirit of a bird in flight, reflecting our bold and expressive designs. We also overhauled our merchandise architecture to cater to various consumer life occasions, offering a diverse and meaningful collection. Our new retail identity draws inspiration from the iconic city of Mumbai and its ever-evolving landscape, featuring an unfinished store design that mirrors Mumbai's constant evolution and growth.

Macroeconomy

The Indian retail and fashion industry is undergoing a transformative phase, mirroring the nation's robust economic trajectory and the transition from an unorganised to an organised sector. With India poised to emerge as the third-largest economy by 2030, the stage is set for significant market expansion. This growth is propelled by a youthful demographic, an expanding middle-class contingent, and increased workforce participation, further catalysed by widespread digital adoption reshaping consumer behaviour and fuelling e-commerce boom.

Source:https://www.hindustantimes.com/business/india-to-become-worlds-third-largest-economy-by-2030-s-p-global-ratings-101701763949361.html

The Indian retail market is undergoing a significant transformation, driven by a confluence of emerging trends in line with the changing dynamics and aspirations of consumers. This evolution encompasses the casualisation phenomenon, epitomised by the 'Friday Dressing' trend gaining traction in corporate settings. Concurrently, the desire among consumers to climb the aspirational ladder has fuelled the premiumisation trend across product categories. Additionally, the rise of conscious consumerism has led to a growing demand for sustainable and ethically sourced products. As disposable incomes rise, Indian consumers are increasingly seeking to acquire premium and international brands that were previously out of reach. This, while also aligning their purchases with their values. Consequently, the Indian retail market is anticipated to soar to USD 1.1 trillion by 2027 and reach USD 2 trillion by 2032, registering a remarkable 25% CAGR. This landscape offers significant opportunities for brands in men's fashion, catering to the evolving preferences for casual, premium, and expressive styles that prioritise comfort and luxury. Additionally, it addresses the growing demand for sustainably sourced products.

Source: https://www.investindia.gov.in/sector/retail-e-commerce

Financial Performance

Capitalising on the favourable industry landscape, we have consistently maintained our growth trajectory. Despite significant market challenges, we achieved a 13.88% year-on-year revenue increase to 5,673 million in 2023-24. The retail sector faced subdued consumer demand due to inflationary pressures that curtailed discretionary spending, and the delayed onset of the peak winter season impacted seasonal sales. Nevertheless, we sustained robust gross margins of 57.5% and achieved an EBITDA of 1,605 million during 2023-24. Our net profit for the year reached 592 million, reflecting a net profit margin of 10.4%. Our return on equity for 2023-24 was a strong 19% while maintaining a conservative debt-to-equity ratio of 0.10x (without lease liability) for the same period. Despite challenges faced in a difficult market scenario, we managed a modest same-store sales growth of 0.6%, this underscores our brand's resilience. Our focus on cost optimisation and advanced inventory management is expected to deliver long-term benefits for sustainable and profitable growth. These strategic financial decisions and robust performance metrics highlight our sturdy financial health and potential for sustained growth.

Strategies Adopted for 2024-25

At MUFTI, our core strategy revolves around curating a diverse array of creative, expressive, and bold casual wear for the discerning mid-premium to premium consumer. We uniquely position ourselves between denim-led and casual-led brands, catering to unmet fashion needs through distinctive product offerings.

Our customers are at the heart of everything we do. Understanding them is key to building our business. Over the years, we've worked hard to attract more target customers through an extensive touchpoint network spanning Exclusive Brand Outlets, Multi Brand Outlets, Large Format Stores, and online channels. EBOs are pivotal to our growth strategy, strategically positioned for maximum customer reach. **We're embarking on a nationwide EBO expansion, extending our footprint to key high streets and malls. Our goal is to be readily accessible wherever demand for mid-premium to premium men's casual wear exists while maintaining a robust MBO presence.** Furthermore, we have a robust online presence, enabling convenient shopping through our website and e-commerce partners. Apart from the top 8 cities, we have a healthy presence in Tier 1, 2, and 3 cities of India.

Central to our success are enduring partnerships with manufacturing, sourcing, and franchising associates, with our distributor relationships being the oldest and most enduring. **Our scalable and asset-light operational model enables flexible supply adjustment in response to demand fluctuations, keeping fixed costs at bay.** Furthermore, our portfolio boasts a healthy mix of owned and franchisee-operated EBOs through COCO (Company-Owned, Company-Operated), COFO (Company-Owned, Franchisee-Operated), and FOFO (Franchisee-Owned, Franchisee-Operated) models. This robust business model has propelled profitable growth, ensured rigorous operational control, and elevated EBITDA margins, supported by low debt on our books. Furthermore, we continuously invest in technology to enhance operational efficiency and the in-store experience.

Future Outlook

MUFTI's future strategic roadmap centres around an aggressive expansion of our domestic store network through new EBOs in existing and emerging cities. This will enable market share gains and enhance brand visibility and recognition whilst realising economies of scale. As we build our omnichannel presence, we aim to elevate brand appeal via focused marketing initiatives across channels, specifically in the digital medium. Working closely with Meta and Google, investing in resources and machine learning initiatives we intend to be ready to capitalise on India's digital growth through a strengthened omnichannel presence. We are also in the process of evolving into a comprehensive men's lifestyle brand by expanding our product portfolio into adjacent categories like footwear and accessories.

Technology will play a pivotal role in driving productivity and operational efficiencies across organisational and store levels. By leveraging cutting-edge solutions, we will streamline processes and enhance customer experiences to stay ahead in the dynamic retail landscape. Our asset-light business model, robust cash flows, and low-debt position provide a solid foundation to execute this multi-pronged strategy whilst maintaining profitability and healthy margins. Supply chain optimisation, along with nurturing top talent, will remain key focus areas to support our future growth aspirations.

Concluding Note

As we move forward, we continue to be encouraged by the progress the brand and business have made, and we are optimistic that the refreshed strategies will take MUFTI from strength to strength in the years to come. I wish to thank my employees, customers, franchisees, distributors, suppliers, bankers, and shareholders for their continued support in our journey.

Kamal Khushlani
Chairman and MD

Key Trends Shaping the Apparel Industry

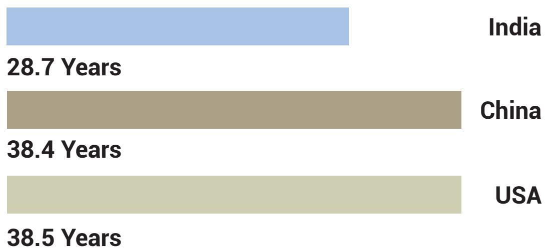
Various trends in the external environment have fuelled the growth of the apparel industry in India. This has been largely driven by a young demographic, the rise of fusion wear, a shift from need-based to lifestyle-based purchases, growth of e-retail, and increased digital penetration amongst various other factors.

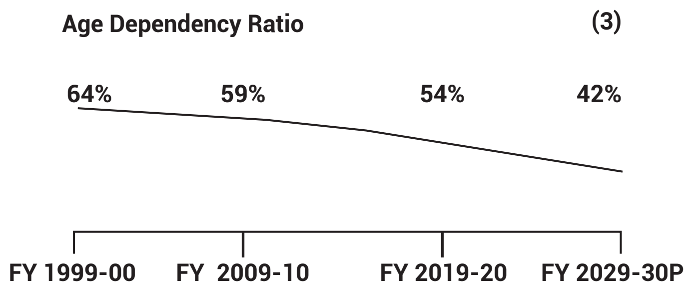
Consumer Demographics

India's young population is driving rapid growth in retail consumption, outpacing developed nations like the USA, UK, and Canada. The median age in India is 28.7 years, significantly younger than China's 38.4 years and the USA's 38.5 years. Increased interest in entertainment and lifestyle activities among the youth boosts discretionary spending, particularly on western wear. Social media platforms like Instagram, Pinterest, and Facebook amplify international fashion influences, while the convenience of online shopping across multiple devices has significantly grown the organised men's western wear market over the past decade.

One of the Youngest Populations Globally

Median Age CY 2022





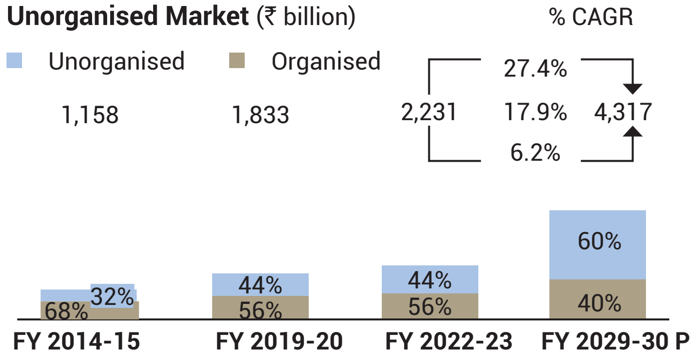
(3) as % of working-age population.

Source: Technopak Report, TRAI, Technopak Analysis, Secondary Research

Organised versus Unorganised Men's Apparel Market Share

As fashion awareness and personal grooming gain prominence among men, the demand for menswear is on the rise. India's men's apparel market surged from ₹ 1,158 billion in 2014-15 to ₹ 1,833 billion in 2019-20, with organised retailers claiming a larger share (from 32% to 44%). Discerning customers now appreciate well-crafted designs that blend comfort and luxury. Organised players have capitalised on this trend, offering high-quality fashion to a wider audience. Projections indicate that by 2029-30, the organised market will dominate 60% of the total men's apparel sector, signalling a significant shift toward organised retail.

Men's Apparel Market Segmentation by Organised & Unorganised Market (₹ billion)

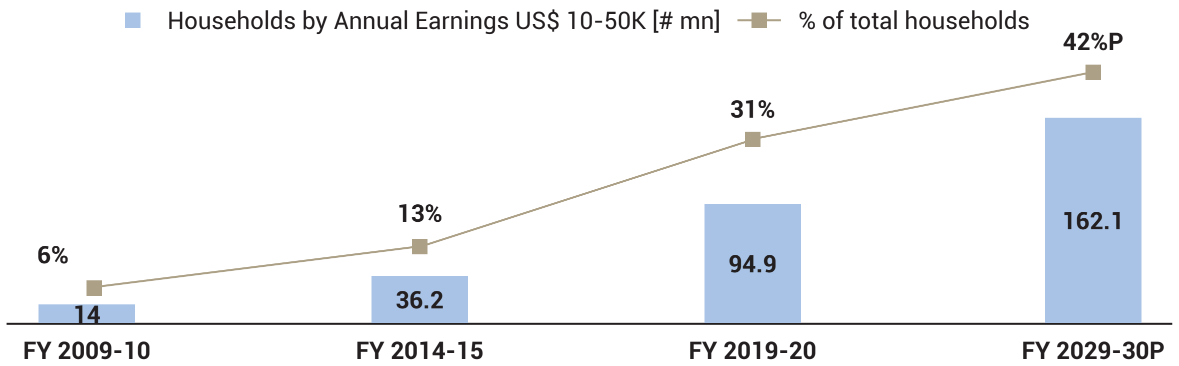


Source: Technopak Report, TRAI, Technopak Analysis, Secondary Research

Emerging Middle Class

India, the world's largest and fastest-growing economy, is witnessing a dynamic shift. The expanding middle class, fuelled by rising household incomes (USD 10,000 to USD 50,000), drives increased spending on clothing, accessories, and other discretionary items. From 31% in 2020, households in this income range are projected to reach 42% by 2030, reflecting substantial growth in disposable income and purchasing prowess among India's middle class.

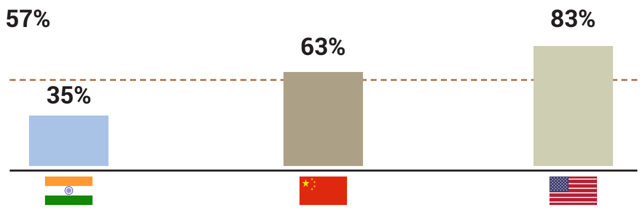
Growing Middle Class



Increasing Urbanisation

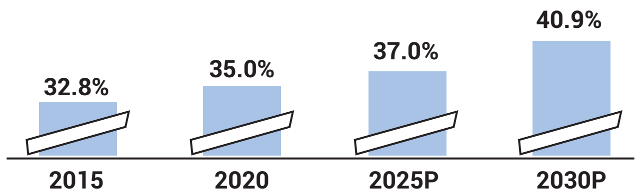
Over the past decade, urbanisation in India has surged by nearly 4%, driven by significant migration from rural areas to growing megacities. As of 2021, 35% of India's population resides in urban areas, which is lower than the global average of 57%. Between 2015 and 2020, India's urban population increased from 32.8% to 35%, and it's projected to reach 40.9% by 2030. This shift isn't just geographical; it also reflects cultural and behavioural changes. Urban migrants are more open to experimenting with new products, services, and lifestyle habits, making them influential in shaping market trends and consumer behaviour.

Urban population (CY 2021)



Source: Technopak Report, TRAI, Technopak Analysis, Secondary Research

Urban Population (% Total)

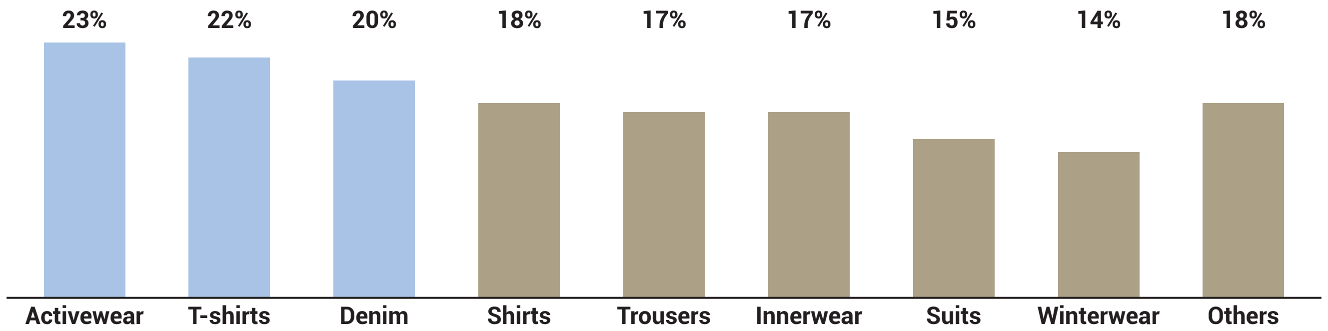


Source: Technopak Report

Men's Western Wear Market by Product (2)

The casual wear market in India is experiencing robust growth across various categories, driven by changing consumer preferences and lifestyle trends. Between 2022-23 and 2026-27, activewear is projected to lead with a compound annual growth rate (CAGR) of 23%, followed by T-shirt at 22% and denim at 20%. Other segments such as shirts, trousers, and innerwear are also expected to grow significantly, with CAGRs of 18%, 17%, and 17%, respectively. Suits and winter wear, traditionally more formal categories, will see slower growth at 15% and 14%. This trend underscores a broad shift towards more casual and versatile clothing, reflecting the evolving fashion landscape in India.

Men's Western Wear Market By Product **CAGR FY 2022-23 - FY 2026-27**



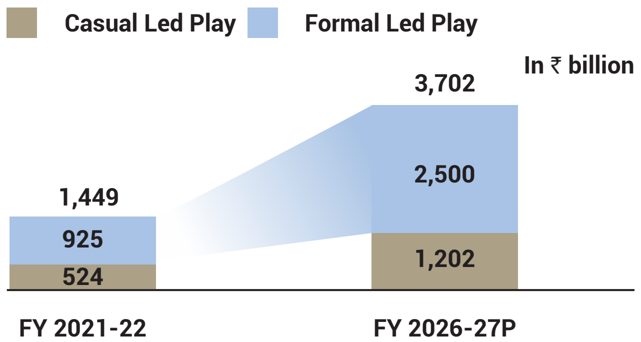
(2) Suits includes suits, coats and safari suits

Source: Technopak Report, TRAI, Technopak Analysis, Secondary Research

Casualisation of Fashion in Men's Wear

India has witnessed a significant surge in casual wear, driven by urbanisation, social media, mobile internet, and increased purchasing power. Categories such as denim, activewear, casual shirts, athleisure, and loungewear are growing rapidly, with compound annual growth rates (CAGRs) exceeding 20%. In the year 2021-22, the casual wear market reached 925 billion and is projected to reach 2,500 billion by 2026-27, reflecting its growing dominance over formal wear.

Casual and Formal Led Play in Total Men's Western Wear Market



Scalable and Asset Light Model

MUFTI, with its asset-light and scalable business model, places comprehensive emphasis on product design while outsourcing manufacturing to various partners. This approach supports the asset-light model, minimising investments in plant, property, and equipment.

Advantages of MUFTI's Asset-Light Business Model

Flexibility and Scalability

- Allows it to scale production up or down based on demand without significant capital investments in manufacturing facilities.
- Provides agility and flexibility to adapt to changing market conditions and consumer preferences.

Focus on Core Competencies

- By outsourcing manufacturing, MUFTI can concentrate on its core strengths in design, branding, and marketing.

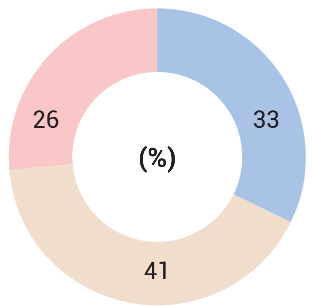
Efficient Capital Allocation

- Enables efficient capital allocation, avoiding large investments in plant, property, and equipment.
- Allows MUFTI to invest in brand building, marketing, and expanding its retail network.

Long-term Partnerships

- Established long-standing relationships with its manufacturing partners, with an average association of eight years.
- Ensured a reliable and efficient supply chain, enabling the Company to introduce products promptly.

Healthy Mix of Owned and Franchisee EBO Stores



COCO	138
COFO	176
FOFO	111

~48
Manufacturing Partners

~48
Fabric and Accessories' Suppliers

~8 Years
Average Association with Top 5 Suppliers

Sourcing and Manufacturing

Leveraging economies of scale, MUFTI has established efficient partnerships from back-end to front-end without the need to invest in manufacturing facilities. This structure provides agility, enabling the organisation to adjust supply based on demand across different channels through longstanding sourcing partners. While manufacturing is outsourced, MUFTI maintains strict oversight at every stage, with centralised ordering of fabric and accessories ensuring timely and consistent production by its partners. MUFTI's flexible supply chain strategy ensures a dynamic and responsive production process by maintaining non-exclusive arrangements with manufacturing partners on a purchase-order basis. This approach allows scaling production up or down in alignment with market needs, thereby optimising inventory levels and reducing waste. Additionally, the ability to introduce new products quickly and efficiently keeps offerings fresh and aligned with current fashion trends, meeting customer expectations and staying competitive in the fast-paced apparel market.

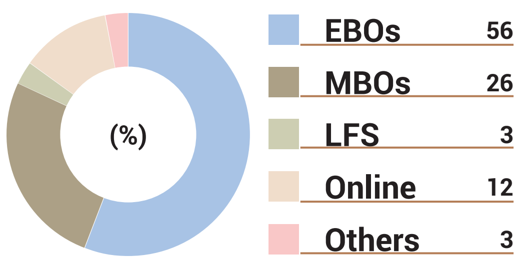
Strong In-House Design Competencies

MUFTI boasts a robust in-house design team that consistently delivers innovative and high-quality products. This team includes experienced graphic designers, illustrators, textile designers, and technicians who create unique designs for each season. In 2023-24 alone, MUFTI's design team created and produced over 1,296 distinct designs, showcasing creativity and expertise.

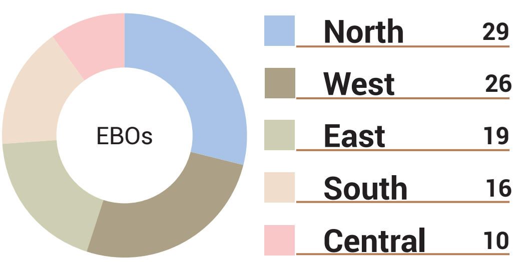
Enhancing Brand Presence by Diversifying Channel Mix

MUFTI's distribution is segmented into Exclusive Brand Outlets (EBOs), Multi-brand Outlets (MBOs), Large Format Stores (LFSs), and online platforms, all operating under an asset-light model. Operational felexibility and scalability is enhanced through leased-out properties. The strategy enables the efficient expansion of EBOs—crucial to MUFTI's growth—through long-term leases typically lasting five to nine years.

Sales Mix



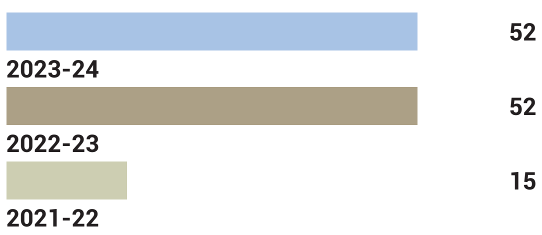
Diversified Presence across Geographies (% Store Count)



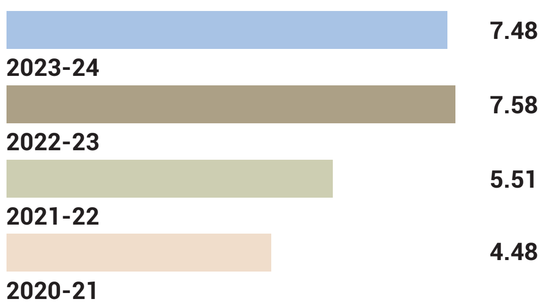
Exclusive Brand Outlets (EBOs)

Exclusive Brand Outlets (EBOs) are central to MUFTI's retail strategy, offering a shopping experience tailored exclusively to MUFTI's products that reflect the brand's image and values. As of 2023-24, these outlets generated more than 56% of MUFTI's total revenue. With 425 EBOs across 237 cities, including both metropolitan and Tier 2 locations, MUFTI has built a robust presence. This widespread network not only boosts sales but also strengthens brand loyalty by delivering a consistent and immersive shopping experience to experience

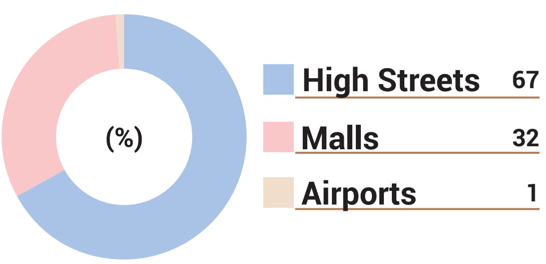
Number of EBOs Launched



Avg. Revenue per EBO (₹ million)



Location-Wise



Multi-Brand Outlets (MBOs)

Multi-Brand Outlets (MBOs) are another critical component of MUFTI's distribution strategy. These outlets house multiple brands, allowing MUFTI to reach a diverse customer base that frequents such stores for variety. In 2023-24, MBOs contributed approximately 26% to the Company's total revenue. By being present in over 1,300 MBOs across the country, it ensures that its products are available in locations where customers prefer multi-brand shopping environments. This presence in MBOs helps the brand to tap into different market segments and enhance its overall reach.

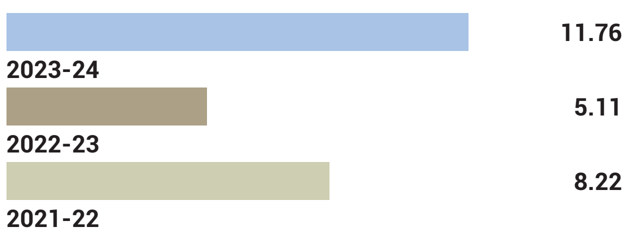
Large Format Stores (LFS)

Large Format Stores (LFS) include big retail chains and department stores that stock a wide range of products. While LFS contribute a smaller percentage of MUFTI's overall revenue (around 2.7% in 2023-24), their importance lies in the visibility and accessibility they offer. With 77 LFS locations, Credo ensures that its products are available in major shopping destinations, thus attracting foot traffic that might not specifically seek out MUFTI stores. This strategy helps in building brand awareness among a broader audience and drives incremental sales through high-traffic retail environments.

Online Channels

The online segment is a rapidly growing part of Credo's distribution strategy, reflecting the global shift towards e-commerce. In 2023-24, online sales accounted for nearly 11.8% of the total revenue. By leveraging online platforms, MUFTI reaches a tech-savvy, younger demographic that prefers shopping online. The brand's online presence includes its own e-commerce site as well as partnerships with major online retailers. This multi-faceted approach ensures that MUFTI can cater to the evolving shopping preferences of its customers while expanding its market reach beyond physical store locations

Increasing Contribution to Revenue from Online (%)



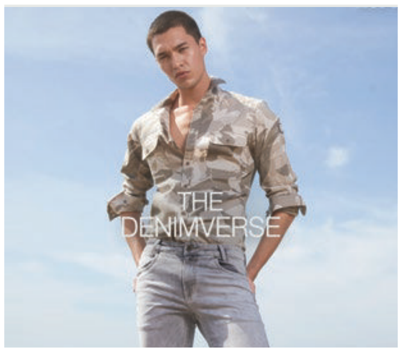
MUFTI's multi-channel distribution strategy has been instrumental in enhancing its brand presence across India. Each channel plays a unique role in reaching different customer segments, ensuring broad market coverage, and driving revenue growth. This diversified approach not only strengthens brand visibility but also builds customer loyalty by offering multiple touchpoints for purchasing MUFTI products. As the retail landscape continues to evolve, MUFTI's strategic channel mix positions it well to capitalise on emerging opportunities and maintain its competitive edge.

Connecting with Customers with Confidence

MUFTI has excelled in creating a strong brand presence through a multifaceted approach that combines digital and traditional media to maximise visibility and customer engagement. Targeted campaigns, such as 'Home of the Expressive' and 'Alternative Clothing' leverage social media platforms, billboards, multiplex cinemas, and live events to craft a memorable brand experience. These initiatives are not only visually appealing but also strategically designed to communicate the brand's philosophy and style, fostering a deep connection with the audience. By integrating creative content with precise targeting, MUFTI ensures that its efforts resonate with consumers, drive brand recall, and ultimately boost sales and customer loyalty.

Multi-Faceted Promotion Strategy

MUFTI employs a comprehensive promotion strategy to enhance brand visibility and customer engagement.



Defining Our Edge with Trendy Menswear

In 2023, MUFTI launched innovative collections reflecting the latest trends in men's fashion, expanding across categories like denim, activewear, casual shirts, athleisure, and loungewear—all experiencing significant growth. The new collections cater to a wide range of styles, from relaxed holiday casuals to urban and party wear, solidifying MUFTI's position as a leader in men's casual wear, staying ahead of market trends and customer preferences.

Data-Driven Decision-Making with Systematic Processes

In the dynamic and competitive fashion industry, data-driven decision-making is pivotal for achieving sustainable growth and maintaining a competitive edge. MUFTI leverages systems-driven processes and advanced analytical capabilities to deliver innovative and high-quality products.

Focus on Product Design

The foundation of MUFTI's innovative products lies in its strong in-house design team. The team meticulously tracks global trends to create cutting-edge designs. During 2023-24, the team successfully created and produced 1,296 designs. This robust design capability ensures that MUFTI continually offers fresh and relevant products to its customers.

Centralised Procurementnt

MUFTI's procurement processes are driven by a robust data analytics system, enabling the Company to make informed decisions regarding inventory management and supplier selection. By analysing historical sales data and forecasting demand patterns, MUFTI can optimise its inventory levels, reducing the risk of overstocking or understocking. Additionally, the supplier selection process is guided by data-driven assessments of quality, cost, and reliability, ensuring that the Company partners with the most suitable vendors to maintain its high standards of excellence.

Manufacturing

MUFTI has implemented a sophisticated system that ensures timely deliveries to its retail stores through a meticulously coordinated operational framework. This seamless coordination is facilitated by various inline quality assurance systems that rigorously monitor and maintain the desired product quality, thereby enhancing customer satisfaction and brand loyalty.

Tech-enabled Inventory Management System

Recognising the pivotal role of inventory management in the retail landscape, MUFTI has invested in cutting-edge tech-enabled Inventory Management Systems. These systems not only ensure optimum inventory levels at MUFTI's physical stores but also facilitate real-time analysis and management of inventory across its 142,700 sq. ft. mother warehouse in Bengaluru, Karnataka. This data-driven approach empowers MUFTI to dynamically move inventory across geographies, aligning supply with demand and minimising stock-outs or overstocking.

Business Intelligence Tool

Data analytics and management reporting are integral to MUFTI's strategy. The implementation of Qlik Sense facilitates comprehensive data analytics and reporting, including sales forecasting and inventory management. Additionally, MUFTI is in the process of evaluating and implementing artificial intelligence (AI) and machine learning (ML) solutions to further enhance understanding of customer behaviour.

Reflecting on Growth

MUFTI's dedication to robust financial management, combined with its response to evolving market dynamics, ensures enduring growth. This commitment, alongside a continued focus on product innovation, positions the Company firmly on the path of sustained growth.

Revenue from Operations (₹ million)

2023-24	5,673.32
2022-23	4,981.82
2021-22	3,411.72
2020-21	2,448.26

Gross Profit (₹ million)

2023-24	3,261
2022-23	2,862
2021-22	1,941
2020-21	1,198

EBITDA (₹ million)

2023-24	1,605
2022-23	1,639
2021-22	951
2020-21	485

PAT (₹ million)

2023-24	592
2022-23	775
2021-22	357
2020-21	34

EBITDA Margin (%)

2023-24	28.3
2022-23	32.9
2021-22	27.9
2020-21	19.8

PAT Margin (%)

2023-24	10.4
2022-23	15.6
2021-22	10.5
2020-21	1.4

Gross Profit Margin (%)

2023-24	57.5
2022-23	57.5
2021-22	56.9
2020-21	48.9

Avg. Cost of Capex per EBO (₹ in million)

2023-24	2.81
2022-23	2.85
2021-22	2.56
2020-21	2.07

Avg. Revenue per EBO (₹ in million)

2023-24	7.48
2022-23	7.58
2021-22	5.51
2020-21	4.48

Avg. Revenue per Product Sold (₹)

2023-24	1,285
2022-23	1,348
2021-22	1,208
2020-21	1,023

Avg. Ticket Value per Bill for EBOs (₹)

2023-24	4,292
2022-23	4,157
2021-22	3,442
2020-21	2,940

MUFTI

Tomorrow

Charting New Horizons in Men's Fashion!

Tomorrow's dreams, within our sight, Fashion's future, bold and bright!

MUFTI is set to pioneer casual menswear with innovative designs, expanding into a men's lifestyle brand offering 360-degree solutions. Strengthening its domestic footprint, MUFTI is opening outlets nationwide, enhancing its presence in major and emerging cities. Looking ahead, MUFTI envisions taking its unique fashion identity from India to the world, and showcasing the essence of Indian craftsmanship on the international stage. With a focus on sustainable practices and a broader product range, MUFTI aims to redefine men's fashion and lifestyle, building on its legacy.

MUFTI - Tomorrow

Visionary Leadership
Emerging as a trendsetter in tomorrow's fashion landscape, MUFTI is setting the tone for innovative trends and pioneering new frontiers in design.

Sustainable Revolution
Embracing sustainability as its cornerstone, MUFTI leads the charge towards a greener future, reimagining fashion with eco-conscious practices and eco-friendly materials.

Tech-Infused Ingenuity
Seamlessly integrating technology into its creations, MUFTI offers smart, functional designs that redefine the boundaries of wearables.

Global Cultural Icon
Transcending borders to become a cultural phenomenon, Mufti is embracing diversity and fostering inclusivity on a global scale.

Empowering Tomorrow's Voices
Empowering individuals to express themselves authentically, MUFTI's future vision champions diversity, celebrating the uniqueness of every individual through fashion.

Initiatives Driving Tomorrow's Success

MUFTI is leveraging innovation and strategic foresight to lay the groundwork for a successful, sustainable future. Through committed efforts and visionary planning, MUFTI aims to drive progress and excel in its initiatives.

Reshaping Men's Fashion and Beyond

In its ongoing journey to evolve the MUFTI brand into a comprehensive men's lifestyle destination, the Company intends to expand its wardrobe solutions. This strategic growth aims to draw new customers and deepen existing customer loyalty, enhancing its brand's share of consumer market.

Strengthening our Domestic Presence

The Company aims to enhance its footprint in India by establishing new EBOs strategically located in major metro areas, Tier 1, Tier 2, and Tier 3 cities, replicating the successful model and gathering market insights. Investments in brand building, understanding diverse customer behaviours, and online infrastructure position MUFTI to effectively scale its EBO network and seize growth opportunities across diverse geographies.

Revitalising Brand Appeal

MUFTI has built a strong brand identity through diverse advertising campaigns across digital platforms, social media, billboards, print, radio, video, cinemas, and live events, often featuring celebrity brand ambassadors. The Muftisphere Consumer Loyalty Programme, with over 2.8 million consumers, facilitates personalised communication about new launches and offers. Going forward, MUFTI is set to enhance its brand appeal by effectively utilising social media and targeted marketing. These efforts are aimed at strengthening customer relationships and projecting a brand image that aligns with its distinctive style and philosophy, thereby appealing to the modern consumer's evolving tastes.

Amplifying Digital Presence

MUFTI, the pioneer that revolutionised casual menswear in India, is now intensifying its focus on the digital realm. Building on its existing digital marketing efforts, MUFTI is doubling down on the online space—recognising it as the evolving playground of fashion. This amplified digital strategy isn't just about boosting online sales; it's about refining a digital experience that's as innovative as MUFTI's designs. Through enhanced partnerships with industry leaders, MUFTI is set to sharpen its online presence, deepen consumer insights, create a seamless convergence between its online and offline channels. Just as it transformed fashion with the never-to-be-tucked-in shirt, MUFTI is now tailoring an even more robust digital approach, ensuring the brand remains at the cutting edge of fashion, both in stores and on screens.

Streamlining Supply Chain and Delighting Customers

The Company is enhancing its IT infrastructure to boost productivity and streamline operations, which includes advanced inventory tracking and e-commerce management. MUFTI utilises data analytics to enhance customer experiences both in-store and online, improving sales, scalability, and delivery efficiency. Tailored outreach programmes help maintain engagement and satisfaction across all customer touchpoints.

Fashion with Purpose: MUFTI's ESG Commitments

MUFTI embraces a holistic philosophy, viewing itself and its environment as deeply interconnected, with shared destinies. This philosophy guides all of MUFTI's decisions and actions as it strives to implement best-in-class sustainability practices.

Environmental Stewardship

MUFTI is committed to reducing waste and minimising its environmental impact through several innovative practices

- **Sustainable Packaging**

  MUFTI roll packs its garments to fit into smaller bags, consciously reducing single-use plastic consumption during transit.

- **Local Shipping**

  The omnichannel effort prioritises using local stores to ship from locations closest to the consumer, reducing the carbon footprint.

- **Efficient Inventory Management**

  The trims inventory is meticulously maintained and updated for the design and merchandising teams, ensuring a waste-not-want-not philosophy. MUFTI uses a first-in, first-out approach to raw material usage to minimise waste.

- **Solar-Powered Warehouse**

  MUFTI's new 1,42,700 square foot warehouse is powered entirely by solar energy. Built on a 55,000 square foot parcel of land, it is designed to maximise natural lighting and ventilation, even utilising exhaust fans powered by cross ventilation.

Social Responsibility

MUFTI engages with agencies to drive sustainable practices not just in its supply chain but also in its back offices and stores

Energy Efficiency

- Motion-sensor lighting is utilised
- Natural lighting is maximised
- Air-conditioning is set at optimal temperatures to save energy

Community Engagement

- Mufti continuously seeks to enhance its environmental and social practices
- Collaborates with stakeholders to ensure positive community impacts
- Actively explores new methods for improving sustainability

Governance and Compliance

While government regulations and international exporting requirements ensure that Mufti's vendors follow best practices, the Company goes beyond compliance to actively seek further improvements:

- **Vendor Engagement**

  Mufti is keen to collaborate with its vendors to identify opportunities for reducing waste and environmental impact.

MUFTI's ESG commitment is a fundamental part of its business strategy, reflecting the belief in the interconnectedness of self and environment. Through continuous improvement and responsible practices, MUFTI aims to create a positive impact on the world around it.

Board of Directors

Kamal Khushlani

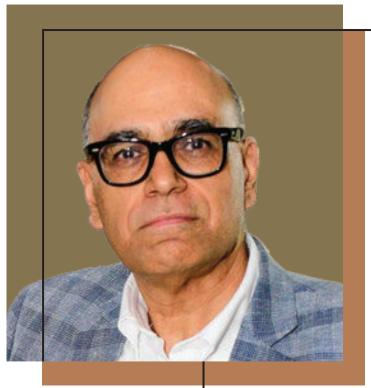
Chairman & Managing Director

Kamal Khushlani is the Promoter, Chairman, and Managing Director of the Company. He holds a Bachelor of Commerce degree from the University of Bombay. He has been associated with the Company since its incorporation and has over 30 years of experience in the field of apparel retail. Kamal Khushlani is currently involved in product development, brand building, marketing, and overall management while providing strategic direction to the Company.

Poonam Khushlani

Whole-Time Director

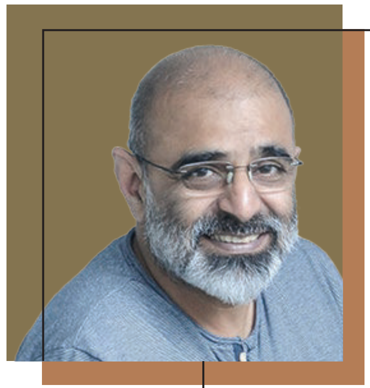
Poonam Khushlani is the Promoter and Whole-Time Director of the Company. She has been associated with the Company since its incorporation and is a co-founder. With over 25 years of experience in the field of apparel retail, Poonam Khushlani is currently responsible for the overall management of the Company.



Dr. Manoj Nakra

Non-Executive Director

Dr. Manoj Nakra is a Non-Executive Director of the Company. He completed his undergraduate degree in Mechanical Engineering from the Indian Institute of Technology, Delhi, followed by a Postgraduate Diploma In Management from the Indian Institute of Management, Bangalore. He also obtained an Executive Doctor of Management degree from Case Western Reserve University. Dr. Nakra is a co-founder of SCIP Services and Solutions Private Limited, a SaaS platform Company. He has been associated with Apparel Group, UAE, as Director of Strategy. His expertise and experience include retail and distribution, entrepreneurship, and technology application. Additionally, he is a visiting faculty member at IIM Bangalore and an independent director at Arvind Fashions Limited.



Amer Jaleel

Independent Director

Amer Jaleel is an Independent Director of the Company. He holds a Bachelor of Commerce degree from MMK College, University of Bombay. After an award-winning career as a young Creative Director for some of the country's most reputed brands, he joined Lowe Lintas in 2002. Since then, he has held multiple creative leadership positions, including Chief Creative Officer and Chairman of the Lintas Group. During his tenure, he managed assignments for numerous prestigious brands. Amer is a prominent voice in the Indian corporate world, appearing and speaking at various media and association forums. He has an active interest in content development, music, technology, fashion, and many creative arts. In 2023, he left Lintas after 21 years of distinguished service to co-found a visionary passion project, Curativity, a new-age digital platform for creative marketing.

Paresh Bambolkar

Independent Director

Paresh Bambolkar is an Independent Director of the Company. He is a fellow member of the Institute of Chartered Accountants of India. From 1993 to March 2019, he was the proprietor of M/s. P V Bambolkar & Co. Chartered Accountants. Currently, he is also a director at Desire 4 India Private Limited.

Ramona Jogeshwar

Independent Director

Ramona Jogeshwar is an Independent Director of the Company. She holds a Master's degree in Management Studies from Somaiya Institute of Management Studies and Research, University of Mumbai. She was previously associated with Kangaroo Kids Education Limited and is also a partner at M/s Konkark Engineers.

Awards and Recognition

Recognised for outstanding brand excellence at the Power Brands Glamme Awards in Las Vegas

Honoured as the Most Admired RMG Manufacturer (West) by FAITMA-IMAGES at the InFashion Honours

Conferred with the Retail Leadership Award at the Retail Excellence Awards for Kamal Khushlani, Managing Director of Credo Brands

Awarded by Brand Advanced Research Asia for exceptional growth in the lifestyle apparel segment

Recognised for excellence in retail innovation and customer experience at Neptune Magnet Mall

Corporate Information

BOARD OF DIRECTORS

Mr. Kamal Khushlani
Chairman and Managing Director

Mrs. Poonam Khushlani
Whole-Time Director

Mr. Manoj Nakra
Non-Executive Director

Mr. Amer Jaleel
Independent Director

Mr. Paresh Bambolkar
Independent Director

Mrs. Ramona Jogeshwar
Independent Director

REGISTERED AND CORPORATE OFFICE

Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669
Regd. Off.: B 8, MIDC Central Road,
Marol, Andheri (E), Mumbai - 400 093
Tel. No.: +91 22 6141 7200

Corporate: www.credobrands.in

E-Commerce: www.muftijeans.in

Email: Investorrelations@mufti.in

CHIEF FINANCIAL OFFICER

Mr. Rasik Mittal
Chief Financial Officer

COMPANY SECRETARY

Mr. Sanjay Kumar Mutha
Company Secretary

STATUTORY AUDITOR

Deloitte Haskins & Sells LLP

BANKERS

Axis Bank Limited

YES Bank Limited

HDFC Bank Limited

Kotak Mahindra Bank Limited

SHARE TRANSFER AGENTS

Link Intime India Private Limited*
C-101, Embassy 247,
L.B.S. Marg, Vikhroli (West)
Mumbai - 400 083
Telephone: +91-8108118484
Fax: +91 22 6656 8494
E-mail: csg-unit@linkintime.co.in
Website: www.linkintime.co.in
(*Erstwhile TSR Consultants Private Limited, merged with Link Intime India Private Limited w.e.f. December 22, 2023)

MUFTI Management Discussion and Analysis

Global Economy

In 2023, the global economy showed impressive strength, overcoming challenges stemming from the Covid-19 pandemic, geopolitical tensions, and high inflation rates. Despite headwinds like supply chain disruptions, energy crises, and rising costs of living, major economies steered clear of recession, all while maintaining strong banking systems. Projections indicate a global GDP growth rate of 3.2% for 2023, with anticipation of maintaining this momentum in 2024 and 2025. This optimism is fuelled by stronger-than-expected performances in the US, key emerging markets, fiscal stimulus efforts in China, and pent-up consumer demand.

Advanced economies in 2023 witnessed a slight uptick in growth, with the US leading the way with a 2.5% expansion driven by vigorous consumer spending and a robust job market. Conversely, the Eurozone encountered obstacles, with a modest 0.4% growth, attributed to rising energy prices and wavering consumer confidence. Meanwhile, emerging and developing economies collectively grew at a faster 4.3% clip, driven by China's reopening and India's strong domestic demand. The global job market remained resilient, with labour shortages resulting in wage increases that boosted consumer spending. However, rising borrowing expenses posed potential risks to hiring and investment decisions.

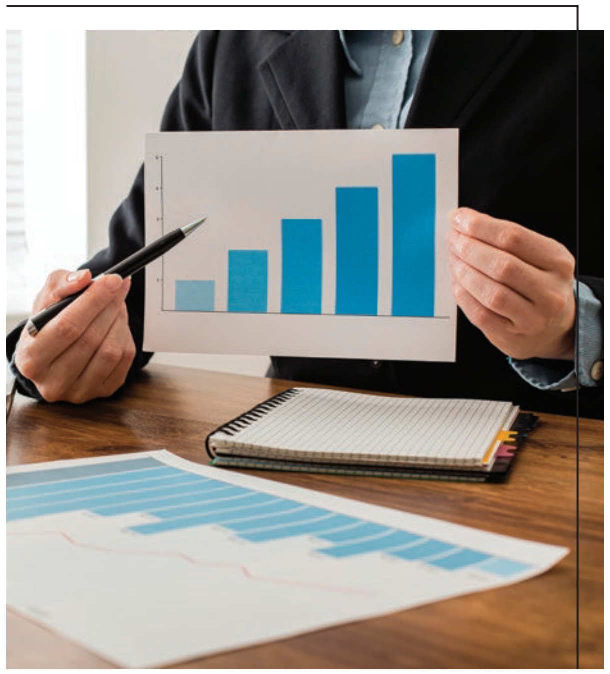
While global headline inflation showed improvement, declining from a peak of 6.8% in 2022 to an estimated 5.8% in 2023, it remained above central bank targets across most countries. This led major central banks to maintain their hawkish monetary policy stances. As the global economy progresses, the focus remains on striking a balance between sustaining growth and effectively managing inflation. This necessitates vigilant and adaptable policymaking to secure long-term stability amid lingering pandemic repercussions, geopolitical uncertainties, and supply chain constraints.

Source: https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024

Outlook

In 2024 and 2025, the global economy is expected to navigate a sensitive equilibrium, having displayed strength by avoiding dire predictions of a severe recession while maintaining moderate growth. Economic expansion is forecasted at around 3.2% for both years, despite challenges posed by tighter monetary policies, reduced government spending, and sluggish productivity gains. Although inflation is anticipated to cool down to 5.9% in 2024 and 4.5% in 2025, policymakers must tread carefully to prevent this deceleration from impending growth. Faster disinflation and a potential economic rebound in China offer opportunities, while geopolitical tensions and persistent inflation present downside risks. The long-term growth outlook, particularly in emerging markets, hinges on structural reforms aimed at enhancing productivity and ensuring sustainable debt levels.

Source: International Monetary Fund (IMF), World Economic Report Projections, April 2024



World Economic Outlook, April 2024, GDP Growth Projections

World Output (In %)

	(In %)
2025	3.2
2024	3.2
2023	3.2

Emerging Markets and Developing Economies (In %)

	(In %)
2025	4.2
2024	4.2
2023	4.3

Advanced Economies (In %)

	(In %)
2025	1.8
2024	1.7
2023	1.6

Source: International Monetary Fund (IMF), World Economic Report Projections, April 2024

Indian Economy

India's economic prowess continues to grow amid global headwinds, fuelled by robust domestic demand and proactive government policies. The nation's GDP is estimated to have grown at a rate of 8.2% in 2023-24, surpassing analysts' expectations. This stellar performance is attributed to the government's focus on capital expenditure and vibrant manufacturing activity in key sectors like textiles and apparel. To sustain this economic momentum, the Interim Union Budget for 2024-25 boosted its infrastructure development agenda, allocating ₹ 11.11 lac crores, or 3.4% of GDP, for capital expenditure—an 11.11% increase over the previous year's estimates.

Source: https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2001130

The manufacturing sector stands tall as the powerhouse propelling India's economic ascent, with strong backward and forward linkages generating employment opportunities, fostering innovation, and improving its contribution to around 17% of the GDP. This sector's growth is propelled by rising investments and transformative initiatives like 'Make in India.' In tandem, the textile industry, a vital component of the economy, enriches the landscape, chipping in around 2.3% to the GDP, 13% to industrial production, and 12% to exports, closely intertwined with the thriving apparel industry. Crucial commodities like cotton, where India is one of the largest producers and exporters globally, play an important role. Despite the cotton sector grappling with production fluctuations in 2023-24, prices remained relatively stable, driven by concerted efforts to boost exports and venture into untapped markets.

India boasts a robust textile supply chain, positioning itself as a global manufacturing hub. The country stands as one of the largest producers of cotton and jute globally. Additionally, it holds the title of second-largest producer of silk, with 95% of the world's hand-woven fabric originating from India. The textiles and apparel industry, which serves as the nation's second-largest employment generator, offers livelihoods to 45 million individuals directly and a whopping 100 million across allied industries. In a bid to fortify this sector, the government has launched the Production Linked Incentive (PLI) Scheme, earmarking a substantial ₹ 10,683 crore to drive the Man-Made Fibres (MMF) segment from 2020-21 to 2025-26.

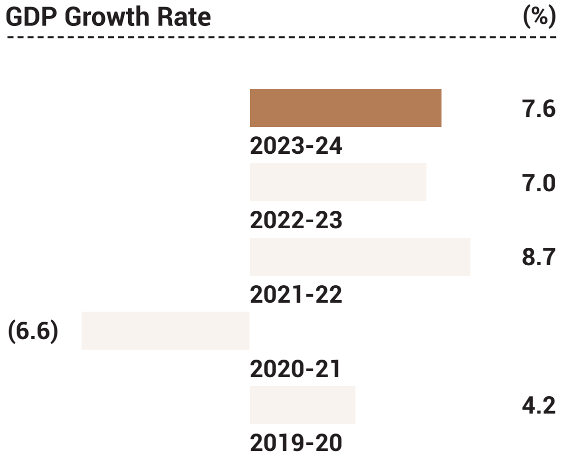
Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=1753118 https://www.livemint.com/news/india/textile-exports-contract-4-2-on-year-in-11-months-of-fy24-11711271794325.html https://www.investindia.gov.in/sector/textiles-apparel

While there are obstacles in the form of food inflation and cost pressures, India's economic trajectory looks promising. This optimism is supported by robust domestic demand, ongoing digital transformation, a thriving entrepreneurial ecosystem, and policy continuity. Projections indicate that India's per capita disposable income is anticipated to reach ₹ 2.14 lac in 2023-24, marking an 8% growth from the previous year. Additionally, gross national disposable income is estimated to have grown by 8.9% during the same period, further fuelling consumption and economic expansion. Moreover, the nation's rising middle class, which has been growing at a rate of 6.3% per year between 1995 and 2021 and currently constitutes 31% of the population, is projected to hit 38% by 2031 and 60% by 2047. With increasing purchasing power and consumption levels, coupled with the country's youthful population—where approximately 65% are under the age of 35—India's economic prospects are reinforced by its demographic dividend.

Source: https://indbiz.gov.in/indias-demography-unity-in-diversity/ https://skift.com/2024/01/09/is-the-world-ready-to-meet-the-indian-middle-class-megatrends-2024/#:~:text=This%20group%20in%20India%20grew,2031%20and%2060%25%20by%202047. https://economictimes.indiatimes.com/news/economy/indicators/data-correction-indias-per-capita-disposable-income-put-at-2-14-l/articleshow/108147382.cms?from=mdr

Furthermore, with an ambitious vision to become the world's third-largest economy by 2047 and a targeted GDP of USD 5 trillion by 2027, India is backed by inherent strengths, ongoing reforms across sectors like manufacturing and textiles, and a commitment to sustainable and inclusive growth. This positions the nation for continued economic expansion, while enhancing the quality of life for its citizens.

Indian Economy Real GDP Growth Rate



Source: https://pib.gov.in/PressReleasePage.aspx?PRID=2010223

Outlook

As per the Reserve Bank of India, India's economy is poised to grow at a robust 7% in the 2024-25. This forecast is supported by the International Monetary Fund's projection of around 6.5% growth in the same fiscal year, driven by resilient domestic demand. This positive outlook is supported by strengthened economic fundamentals, including a narrowing current account deficit, high foreign exchange reserves, inflation levels hovering around 5%, and a fiscal deficit target of 5.9% of GDP. Driving this surge are strategic initiatives like the adoption of technology, expansion of manufacturing capabilities, promotion of higher value-added exports, and investments in sectors like manufacturing, clean energy, and diversified exports. Despite ongoing challenges such as geopolitical tensions and the energy transition, India's proactive approach to addressing these hurdles through forward-looking reforms positions the economy on a promising trajectory of growth.

Source: https://pib.gov.in/PressReleasePage.aspx?PRID=2010223 https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html

Industry - Developments and Opportunities

Global Apparel Market

The global apparel market is on the brink of substantial growth, with the market size projected to reach USD 1.79 trillion, registering a CAGR of 2.81% from 2024 to 2028. ssWomen's Wear dominates this terrain, with the largest share of 52.51% valued at around USD 0.94 trillion, followed by Men's Wear at 32.01%, totalling approximately USD 573.50 billion, while Kids Wear trails at about USD 23.37 billion. The United States leads in terms of revenue generation, estimated at USD 359 billion in 2024. Per capita revenue is predicted to hit USD 230.90 billion in 2024 based on the global population. Looking ahead, the market volume is projected to reach 196.1 billion pieces by 2028, with an expected growth of 1.3% in 2025. The average volume per person is estimated at 24.1 pieces in 2024.

The growth of the apparel market owes much to the increased spending in emerging markets like China and India, where a rising middle class is directing its disposable income towards fashion apparel. Moreover, technological advancements have been pivotal, with the introduction of new technologies for automating garment assembly lines and big data integration enabling more precise, localised, and affordable manufacturing processes. Companies are leveraging AI algorithms to identify trends and design garments to suit consumer preferences. Furthermore, the rise of e-commerce and online shopping platforms has facilitated access to global apparel brands and products, significantly driving market growth. Sustainability and ethical sourcing practices are gaining traction as critical determinants shaping consumer decisions and steering industry change.

Source:https://www.statista.com/outlook/cmo/apparel/worldwide https://www.statista.com/outlook/cmo/apparel/men-s-apparel/worldwide

Indian Apparel Market

The Indian apparel market is witnessing remarkable growth, fuelled by a confluence of factors like increased brand consciousness, escalating digitisation, greater purchasing power, and the relentless march of urbanisation. In 2023-24, the market size was valued at USD 197.2 billion, and it is projected to clock in a CAGR of around 12.6% between 2023-24 to 2031-32, reaching USD 592.7 billion by 2032. While the overall apparel market is anticipated to register a CAGR of 12.6%, the branded apparel and organised apparel retail segments are expected to outpace this growth trajectory. Their projected CAGR stands at 26.1% and 28.9%, respectively, during the same period.

The Indian apparel market is divided into men's, women's, and kids wear segments. In 2023-24, men's apparel led the charge, constituting approximately 41%, closely followed by women's apparel at an estimated 37%, with kids' apparel contributing the remaining 21%. A unique feature of this market is the significant presence of ethnic wear, which accounted for approximately 30% in 2023-24, while western wear comprised the remaining 70%.

Geographically, the urban apparel market had a significant 60% share of the total market in 2022-23, while rural India contributed the remaining 40%. Delhi NCR and Mumbai are the largest consumers of apparel in India, accounting for almost 20% of the urban apparel demand. Nonetheless, there's a notable shift in demand across the country, with Tier 2 and Tier 3 cities experiencing robust growth, collectively accounting for a significant 57% of the urban demand.

Source: https://www.imarcgroup.com/indian-textiles-apparel-market#:~:text=Market%20Overview%3A,12.6%25%20during%20 2024%2D2032. DRHP

Men's Apparel Market

The Indian men's apparel market is poised for robust growth in the coming years, driven by the shifting tides of consumer preferences and the increasing influence of organised retail channels. By 2027, this market is expected to clock in a CAGR of 18%.

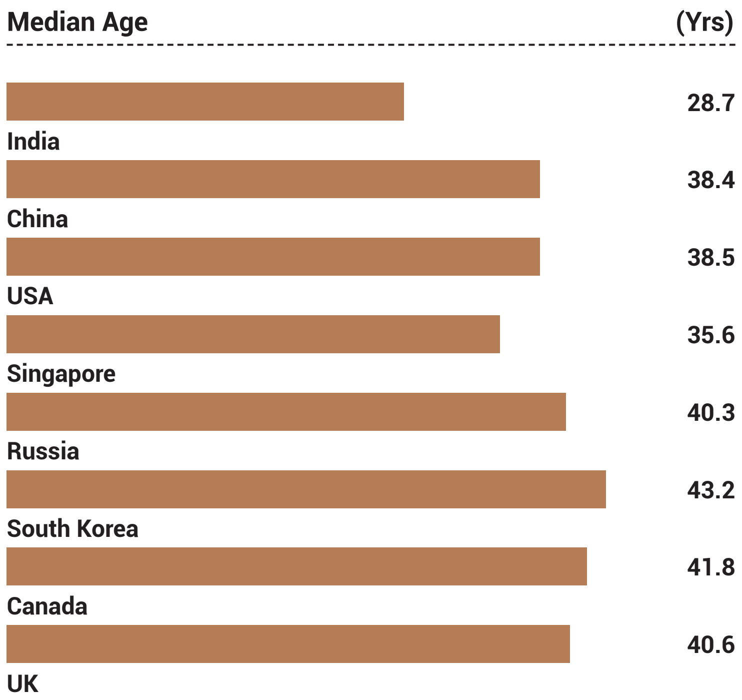
A key factor fuelling this trajectory is the anticipated traction of the organised retail segment. Its contribution to the total men's apparel market is projected to reach approximately 60% by 2027. Within this segment, Exclusive Brand Outlets (EBOs) are primed to lead the charge, registering a remarkable CAGR of around 37% from 2022-23 to 2026-27.

Key Growth Drivers

Youthful Population

India's youthful demographic profile, with a median age of 28.7 years as of 2022-23, positions it as a growing market, outpacing developed economies in retail consumption trends. Fuelled by an increasing youthful populace gravitating towards lifestyle and entertainment, discretionary spending on branded merchandise surges. With 80% of the population below the age of 50, the nation's demographic composition presents boundless opportunities for businesses, especially within the retail sector.

Median Age: Key Emerging & Developed Economies in (2022)

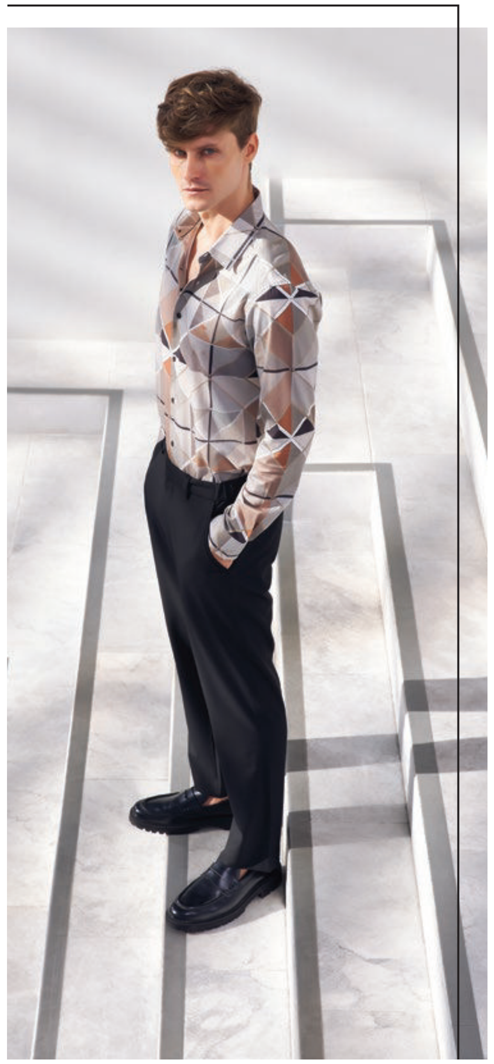


Source: World Population Review, Technopak Analysis

The Indian men's apparel market can be segmented into two segments: western wear and ethnic wear. Western wear holds sway, commanding nearly 94% of the market, leaving ethnic wear with a modest 6%. Remarkably, the Indian men's western wear domain is expected to register a CAGR of 19.5% from 2022-23 to 2026-27. This growth is projected to be driven by casual fashion-oriented categories like T-shirts, denim, and activewear, emblematic of the prevailing trend towards casualisation in fashion.

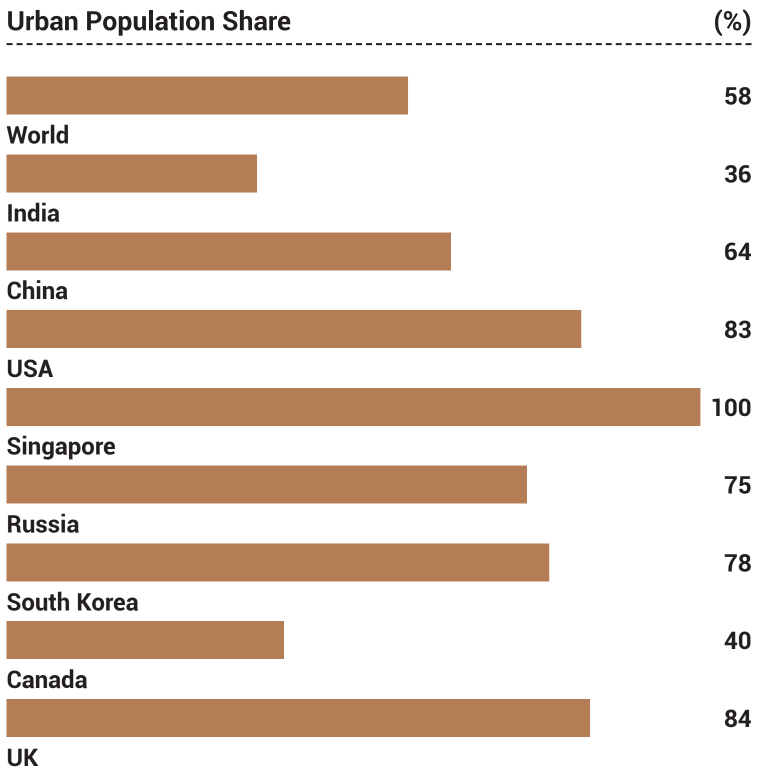
Furthermore, the influence of organised brick-and-mortar retail in the men's western wear market is set to experience a significant uptick. Projections indicate a climb to approximately 32% in 2026-27, marking a substantial rise from around 21% in 2022-23.

Sources:Technopak Analysis



Urbanisation Trend

Urbanisation stands as a crucial force driving India's economic growth, with urban areas accounting for a staggering 63% of the GDP. As the pace of urbanisation accelerates, projections indicate that by 2025, approximately 37% of India's populace, amounting to a formidable 519 million individuals, will reside in urban centres. This shift heralds a substantial market opportunity for businesses like Mufti primed to capitalise on the evolving needs and preferences of urban consumers.



Source: World Bank

Growing Middle Class

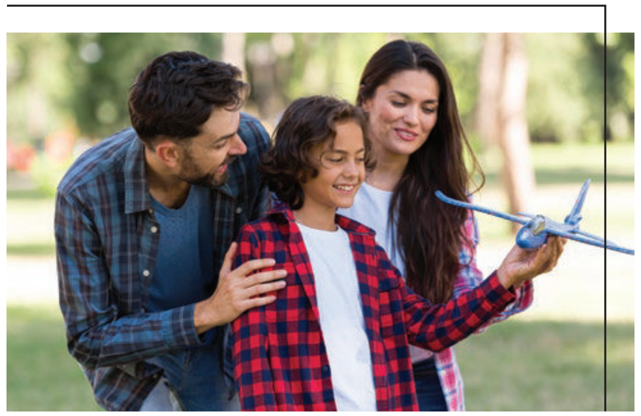
The expanding middle class, marked by a surge in households earning between USD 10,000 and USD 50,000 annually, fuels a surge in expenditure on a plethora of discretionary items such as food, apparel, luxury goods, and consumer durables. This trend signifies a trajectory of upward mobility, with lower-income households ascending to the middle class propelled by rising incomes, thereby stimulating economic growth and amplifying consumer demand.

*Source: EIU, *Technopak Estimates*

Nuclearisation of Households

The significant rise of nuclear households in India, outpacing population growth over the last decade, indicates a societal shift towards smaller, more independent family units. As the average household size is projected to decrease, there's a notable trend towards higher disposable incomes per household. This demographic transition is anticipated to drive increased spending, especially in sectors like jewellery, fashion, home & living, and food services, thereby fostering economic growth and consumer demand.

Source: Census, Technopak Analysis



Company Overview

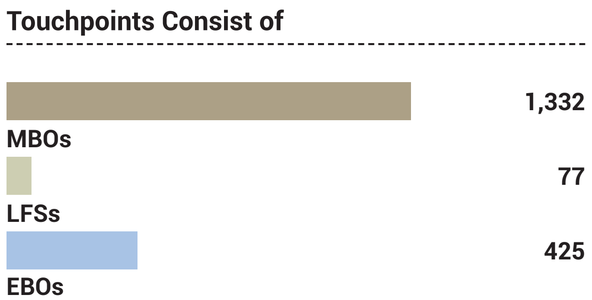
Founded by first-generation entrepreneur Kamal Khushlani in 1998, Credo Brands Marketing Limited's (referred to herein as 'Credo' or 'Mufti' or 'the Company') flagship brand Mufti, was launched with the vision of redefining menswear in India as a non-uniform, casually fashionable alternative to the then more formally inclined Indian market. A game-changer from the beginning, Mufti has throughout its illustrious 25-year journey, emerged as one of the largest and well-loved homegrown brands; driven for years now by its commitment to deliver expressive and elegant menswear for the contemporary Indian man. The brand's strong and expressive design language has constantly been inspired by its rootedness in its origins – Mumbai; the city is not just Mufti's birthplace but also its muse.

Embracing the objective of providing creative wardrobe solutions, the Company caters to the varied and ever-changing sartorial preferences of contemporary Indian men, spanning a spectrum of moods, occasions, and styles; redefining and reinventing itself to match the values of the ever-evolving consumer.

Mufti's greatest strength lies in its ability to thoughtfully curate a unique collection that pushes the boundaries of the latest global fashion sensibilities while staying rooted in the context of its home market; manufacturing this line by leveraging its longstanding manufacturing relationships; and delivering to the market a unique vision of a colour coordinated, designed to display, consumer offer at retail that immediately makes sense, and makes easy the buying decision. From being an early adopter of the slim-fit shirt & jeans – Mufti's range has continuously expanded to include bold designs across a wide yet meaningful variety of shirts, T-shirts, sweatshirts, jeans, cargos, chinos, jackets, blazers, sweaters, and athleisure – offering expressive style solutions for every facet of a man's life. The Company's latest line – 400050 (pronounced Four Triple Oh Five Oh) named for its pin-code, is not just and ode to its origins in Bandra, Mumbai's hippest locality, but also a line that embraces and furthers the new trends in menswear - from the looser fit to fluid fabrics, delivering an elevated street inspired aesthetic for the younger urban consumer.

Mufti constantly innovates, explores, and delivers novel fabrics, spectacular washes, in creative print & patterns, designed and developed wholly in-house, not just empowering the modern Indian man to make elevated style statements through their fashion choices, but also reassuring him of the authenticity of every piece he invest in with us. The brand occupies a unique niche by straddling both denim and casual universes commanding a premium by delivering an unparalleled cross-category product mix that outshines competitors in the mid-premium to premium segment.

1,834
Total No. of Touchpoints



Company Outlook

MUFTI is poised to strengthen its position as a leading menswear brand in India, focusing on expanding its domestic store network in existing and new cities. The Company plans to evolve into a 360° men's lifestyle brand by expanding its product portfolio. MUFTI is set to leverage technology to improve supply-chain management and enhance customer experience, while also deepening its penetration in online channels. With a strong emphasis on digital marketing and partnerships with industry leaders, MUFTI aims to elevate both online and offline demand, ensuring it remains at the forefront of fashion trends and consumer preferences.

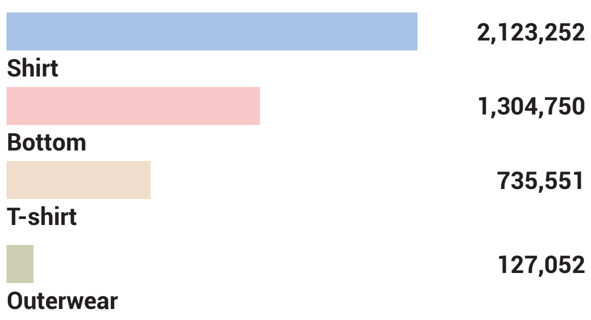
Product-Wise Performance

Mufti boasts a comprehensive, balanced, and responsive product portfolio across topwear, bottomwear, and outerwear categories, perfectly tailored to meet the diverse wardrobe needs of today's modern Indian men. Mufti, the Company's esteemed flagship brand, stands at the forefront of its offerings. Renowned for its distinctive design ethos, Mufti constantly pushes the boundaries of creativity, while maintaining a commitment to superior quality and craftsmanship.

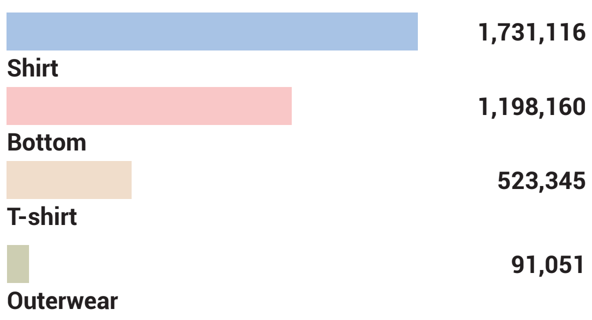
The Mufti merchandise architecture is designed to reflect and fulfil the various moments of life of the Indian men; so they are always dressed up in a unique way to meet every occasion – always elevated, always elegant, always on trend. Each product category is designed and displayed to reflect these moods, and help build looks, reinforced with imagery to help make these choices, driving better basket sizes. The store displays effectively communicate Mufti's lifestyle ethos; underpinned by a robust category centric merchandise management process, ensuring a well-balanced assortment. By offering this unique cross-category product mix that transcends mainstream casual brands, Mufti has carved a distinctive position in the growing mid-premium to premium menswear segment in India.

The quantity sold for each product during the specified time periods is as follows:

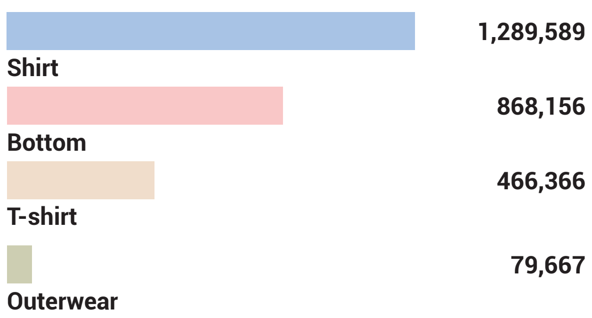
2023-24



2022-23



2021-22



Financial Overview

Mufti's revenue from operations stood at ₹ 5,673.32 million in 2023-24 (CY), reflecting a increase from ₹ 4,981.82 million in 2022-23 (PY). The Company's EBITDA was recorded at ₹ 1,605.30 million in CY, showcasing an decrease of 2.03% compared to the PY Likewise, Mufti's Profit after Tax (PAT) decreased to ₹ 591.98 million in CY, representing a 23.63% down over the PY. Overall, despite facing challenges in some areas, these results demonstrate the Company's progress and efforts towards a sustainable growth trajectory going forward.

Key Ratios

Ratios	2023-24	2022-23	Variance	Explanation in Case Change is 25% or More, as Compared to the Previous Year
Debtors' Turnover Ratio (in times)	3.25	3.82	(14.92)	-
Inventory Turnover Ratio (in times)	4.76	5.56	(14.39)	-
Debt Service Coverage Ratio (in times)	1.85	2.32	(20.26)	-
Current Ratio (in times)	2.66	3.00	(11.33)	-
Gross Profit Margin (in %)	57.47	57.46	0.02	-
Net Profit Margin (in %)	10.43	15.56	(32.97)	The variance is on account of reduction in profit in CY in comparison with PY, primarily on account of increase in other expenses by ₹ 361.41 million in the CY.
Debt Equity Ratio (in times)	0.74	0.68	8.82	-
Return on Net Worth (in %)	19.00	29.98	(36.62)	The variance is on account of reduction in profit in CY in comparison with PY.

Threats

The men's casual wear industry faces intense competition from numerous established brands and frequent new entrants, leading to pricing pressures and a constant need for product innovation to differentiate offerings and retain customers. Fluctuations in raw material costs like cotton and synthetics, can directly impact production expenses and profit margins. The industry is heavily influenced by macroeconomic factors such as consumer spending patterns, disposable income levels, and overall economic conditions. Economic downturns can significantly reduce discretionary spending on fashion. Changes in trade policies, tariffs, and regulations across different markets can disrupt global supply chains, increase operational costs, and hinder international expansion efforts. Rapidly shifting consumer preferences and fashion trends necessitate continuous market research and agile product development to stay relevant. Moreover, failing to swiftly adapt to evolving regulations, navigate complex trade dynamics, and anticipate changing consumer tastes poses major threats to profitability and market share for industry players.

Risk Management

Mufti recognises that proactive risk management is essential for effective corporate governance and critical to seizing strategic opportunities. To address this, the Company has implemented a comprehensive risk management system designed to identify and manage risks associated with its business activities. The robust risk management framework shapes Mufti's decision-making process by providing a structured approach to assessing risks and their potential impact on the Company's objectives. By incorporating risk management into its decision-making processes, Mufti ensures better-informed decisions that account for both potential risks and opportunities. This approach enables the Company to navigate uncertainties confidently and achieve its goals more effectively.

Risks	Impact	Mitigation Strategies
Liquidity Risk	Insufficient liquidity can hinder the Company's ability to meet financial obligations, fund operations, and seize growth opportunities.	To mitigate this, Mufti maintains a mix of funding sources, including internal accruals and credit facilities to ensure access to liquidity. The Company implements robust cash flow forecasting and liquidity planning to anticipate and address potential shortfalls well in advance.
Credit risk	Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.	The concentration of credit risk in relation to trade receivables is high. Credit risk is monitored and managed by Mufti through credit approvals, establishing credit limits, and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.
Reputation Risk	Negative publicity, product issues, or unethical conduct can damage Mufti's brand reputation, leading to customer loss, reduced sales, and diminished stakeholder trust.	The Company closely monitors and manages its brand reputation through effective marketing, quality control, and responsible business practices. Mufti proactively addresses any potential issues that could damage its reputation and implements strategies to maintain a positive public image and customer trust.
Economic Risk	Adverse economic conditions such as recessions, high inflation, or reduced consumer spending, can lead to decreased demand for Mufti's products, impacting sales and profitability.	The Company closely monitors economic indicators and consumer trends, adjusting its product offerings, pricing strategies, and cost structures accordingly.
Cyber Risk	Cyber risk represents the potential vulnerabilities in Mufti's digital infrastructure, which could lead to unauthorised access, data breaches, and compromises of sensitive customer information. Such incidents not only threaten the confidentiality, integrity, and availability of data but also pose significant financial and reputational risks to the Company. A breach of customer data, for instance, could result in regulatory fines, lawsuits, and erosion of customer trust.	Mufti employs strong encryption and access controls to protect sensitive data, conducts regular security assessments, and provides continuous cybersecurity training. Vigilant monitoring and a robust incident response plan ensure prompt detection and mitigation of cyber threats, safeguarding operations and maintaining trust with stakeholders.

Human Resources

Mufti recognises its employees as the driving force behind its success and transcends conventional practices to nurture an extraordinary employee experience. The Company is sincere and wholesome in its approach and commitment to fostering an inclusive and engaging work environment; hiring, training, and retaining top talent – the Company has an attitude first approach, emphasising on finding people with the right attitude foremost. Mufti looks for creative, expressive, and unique talent, and then train them on the job, to help with their growth as both professionals as well as individuals. The Company provides comprehensive training programmes to support professional growth, promotes diversity and inclusion initiatives to ensure equal opportunities, and prioritises employee well-being and satisfaction through wellness programmes, and employee assistance. Having open door policies and easy accessibility to management allows for not just regular but also adds the flavour of openness to feedback, coaching, and performance evaluations guaranteeing that employees contribute effectively and joyously to the organisational mission.

Mufti's human resources practices are centred around developing and retaining top industry talent, fostering engagement, nurturing leaders, and driving success through strategic workforce management strategies. As of March 31, 2024, Mufti had 232 permanent employees on the payroll of the Company, each contributing to the vibrant and dynamic culture that propels the Company forward.

Internal Control Systems and their Adequacy

Mufti prioritises maintaining robust internal control systems to ensure operational efficiency and integrity. The Company fosters an environment characterised by integrity, accountability, and ethical conduct, with leadership setting the appropriate tone. Regular risk assessments are conducted to identify potential risks, while comprehensive controls—including segregation of duties, physical safeguards, and IT controls, are meticulously tailored to operations. Clear communication, rigorous training programmes, and continuous monitoring reinforce the effectiveness of internal controls across all functions. Mufti nurtures a culture of compliance, empowering employees to uphold the highest standards and report any concerns. The internal control framework is dynamic, adapting to evolving risks and best practices, ultimately safeguarding assets, maintaining operational excellence, and enabling the delivery of exceptional products and services.

Cautionary Statement

The statement provided in this section outlines the Company's objectives, projections, expectations, and estimations, which may be deemed 'forward-looking statements' as per applicable securities laws and regulations. These 'forward-looking' statements are based on certain assumptions and anticipations of future events. However, it's important to note that the Company cannot guarantee the accuracy or realisation of these assumptions and expectations. Actual results may significantly differ from those expressed in the statement or implied due to various external factors beyond the Company's control. The Company assumes no responsibility to publicly amend, modify, or revise any 'forward-looking' statements based on subsequent developments. It is essential for stakeholders to exercise caution and consider the inherent uncertainties associated with forward-looking statements when making decisions based on such information.

DISCLOSURE OF KEY PERFORMANCE INDICATORS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018

Key Financial Performance Indicators

(Amount in ₹ Million, except % and ratios)

Particulars	As of/ for the			
	Financial year ended March 31, 2024	Financial year ended March 31, 2023	Financial year ended March 31, 2022	Financial year ended March 31, 2021
Revenue from Operations[1]	5,673.32	4,981.82	3,411.72	2,448.26
Year-on-Year Growth in Revenue from Operations (%)[2]	13.88%	46.02 %	39.35 %	(35.99) %
Gross Profit[3]	3,260.59	2,862.42	1,941.05	1,197.87
Gross Profit Margin[4]	57.47	57.46 %	56.89 %	48.93 %
EBITDA[5]	1,605.30	1,638.50	950.97	484.82
EBITDA Margin[6]	28.30%	32.89 %	27.87 %	19.80 %
PAT[7]	591.98	775.14	357.40	34.41
PAT Margin[8]	10.43%	15.56 %	10.48 %	1.41 %
Net Debt/Equity[9] (number of times)	0.74	0.65	0.44	0.62
ROCE[10]	19.28%	28.16 %	17.31 %	5.86 %
ROE (Return on Equity)[11]	19.00%	29.98 %	16.70 %	1.81 %
Fixed Assets Turnover Ratio[12] (number of times)	8.18	9.79	8.64	5.83
Debtor Days[13]	137	101	132	183
Inventory Days[14]	180	154	154	173
Creditor Days[15]	45	73	91	101
Net Working Capital Days[16]	272	182	195	255

Notes:

1. *Revenue from Operations is the total revenue generated by the Company from its operation.*
2. *Year on Year Growth in Revenue from Operations is annual growth in revenue from operation as compared with previous year revenue from operation (Revenue from operation of current year- Revenue from operation of previous year/ Revenue from operation of previous year*100).*
3. *Gross Profit is Revenue from operation-cost of goods sold.*
4. *Gross Profit Margin is Gross Profit/ Revenue from Operations*100.*
5. *EBITDA is calculated as Profit before tax + Depreciation & Amortisation + Finance cost-Other Income.*
6. *EBITDA Margin is calculated as EBITDA divided by Revenue from Operations*100.*
7. *PAT is mentioned as Profit after Taxes for the year.*
8. *PAT Margin is calculated as PAT/ Revenue from Operations*100.*
9. *Net Debt/Equity is calculated as (Total Long term & short term borrowings + lease liabilities -Cash and cash equivalents)/ shareholder's equity excluding Non-controlling interest.*
10. *ROCE: Return on Capital Employed is calculated as EBIT (profit before tax + Finance cost) divided by average capital employed ((opening capital employed +closing capital employed) /2), which is defined as average of Equity Fund excluding Non-controlling interest plus debts plus lease liabilities.*
11. *ROE (Return on Equity) is calculated as PAT attributable to owners of the company/ Average Shareholder's Equity excluding Noncontrolling interest ((opening equity +closing equity) /2).*
12. *Fixed Assets Turnover Ratio is calculated as revenue from operations/ average PPE.*
13. *Debtor Days is calculated as Trade Receivable as at the year-end /Revenue from Operations*365.Rounded off to the nearest integer.*
14. *Inventory Days is calculated as average inventory for the year ((opening + closing) /2)/cost of goods sold*365. Rounded off to the nearest integer.*
15. *Creditor Days is calculated as Trade payable as at the year-end /Cost of goods sold*365. Rounded off to the nearest integer.*
16. *Net Working Capital Days is calculated as Debtor Days + Inventory Days – Creditor Days.*

Key Operational Performance Indicators

Particulars	As of/ for the			
	Financial year ended March 31, 2024	Financial year ended March 31, 2023	Financial year ended March 31, 2022	Financial year ended March 31, 2021
Average Cost of Capital Expenditure per EBO[1] *(in ₹ million)*	2.81	2.85	2.56	2.07
Average Revenue per EBO[2] *(in ₹ million)*	7.48	7.58	5.51	4.48
Average Revenue per Product Sold[3] *(in ₹)*	1,285.44	1,348.21	1,207.94	1,023.25
Average Ticket Value per Bill for EBOs [4] *(in ₹)*	4,292.37	4,156.95	3,442.13	2,939.97

Notes:

1. *Average Cost of Capital Expenditure per EBO is calculated by dividing the total addition or capital expenditures done for opening of new EBO (COCO, COFO) with total new addition of stores during the period.*
2. *Average Revenue per EBO is calculated as total revenue from the EBO divided by the total no of EBO, which are operational at the year end.*
3. *Average Revenue per Product Sold is calculated as total revenue from the sale of product divided by no of product sold (shirt, T-shirt, bottom and outerwear product).*
4. *Average Ticket Value per Bill (for EBOs) is calculated as total revenue generated from the EBOs divided by the total number of bills generated during the period.*

BOARD'S REPORT

Dear Members,

Your Directors present this Twenty-Fifth Annual Report of the Company together with the audited financial statements (Standalone and Consolidated) for the financial year ended March 31, 2024.

CONVERSION OF THE COMPANY FROM PRIVATE LIMITED TO PUBLIC LIMITED

During the year under review, the Shareholders of the Company has approved conversion of the Company from private limited company into public limited company, vide Special Resolution passed at their Extraordinary General meeting held on April 18, 2023. Subsequently, the Company has received fresh Certificate of Incorporation consequent upon conversion to public limited company issued by the Registrar of Companies, Maharashtra, Mumbai, on May 11, 2023. Pursuant to the same, name of the Company has been changed from Credo Brands Marketing Private Limited to "**Credo Brands Marketing Limited**" with effect from May 11, 2023.

INITIAL PUBLIC OFFERING OF THE COMPANY

During the year under review, the Company has also successfully completed its Initial Public Offering ("IPO") of 19,634,960 Equity Shares of face value of ₹2 each of the Company (the "**Equity Shares**") by way of an Offer for Sale of Equity Shares by existing Shareholders of the Company. The Equity Shares of the Company have been listed on the BSE Limited and the National Stock Exchange of India Limited with effect from December 27, 2023.

FINANCIAL PERFORMANCE

The financial performance of the Company is as follows:

(₹ in million)

Particulars	Standalone		Consolidated	
	Financial Year		Financial Year	
	2023-24 (FY 2024)	2022-23 (FY 2023)	2023-24 (FY 2024)	2022-23 (FY 2023)
Revenue from operations	5,673.32	4,981.82	5,673.32	4,981.82
Other income	46.12	131.40	46.12	111.40
Total income	**5,719.44**	**5,113.22**	**5,719.44**	**5,093.22**
Operating expenditure	4,068.03	3,364.05	4,068.02	3,343.32
Depreciation and amortisation expense	622.25	534.30	621.90	534.30
Total expenses	**4,690.28**	**3,898.35**	**4,689.92**	**3,877.62**
Profit before finance costs and tax	**1,029.16**	**1,214.87**	**1,029.52**	**1,215.60**
Finance costs	240.57	177.36	240.58	177.48
Profit before tax	**788.59**	**1,037.51**	**788.94**	**1,038.12**
Tax expense	196.97	262.98	196.96	262.98
Profit for the year	**591.62**	**774.53**	**591.98**	**775.14**
Retained Earnings				
Balance as at beginning of the year	**2,613.27**	**2,160.15**	**2,613.20**	**2,159.47**
Add: Profit for the period	591.62	774.53	591.98	775.14
Less: dividends paid on Equity shares	-	(321.51)	-	(321.51)
Add: Other comprehensive income / (loss)	(0.41)	0.10	(0.41)	0.10
Balance as at end of the year	**3,204.48**	**2,613.27**	**3,204.77**	**2,613.20**

OPERATIONAL PERFORMANCE

During the year under review, your Company has recorded an increase of 13.88% in Consolidated Revenue from operations at ₹5,673.32 million as compared to ₹4,981.82 million in the previous financial year. Your Company reported a decrease of 24.00% in the Consolidated Profit before Tax of ₹788.94 million for the year under review as compared to ₹1,038.12 million for the previous financial year.

During the year under review, your Company on standalone basis recorded an increase of 13.88% in Revenue from operations at ₹5,673.32 million as compared to ₹4,981.82 million in the previous financial year and a decrease of 23.99% in the Profit before Tax of ₹788.59 million for the year under review as compared to ₹1,037.51 million for the previous financial year.

Your Company's products are available through a pan-India multichannel distribution network which has been built over the years comprising of our exclusive brand outlets ("**EBOs**"), large format stores ("**LFSs**") and multi-brand outlets ("**MBOs**"), as well as online channels comprising of our website and other e-commerce marketplaces.

During the year under review, the Company remains on a strong footing and aims to increase market share by expanding, while seeking sustainable and profitable growth opportunities for the Company. As of March 31, 2024, your Company has a pan-India presence through 425 EBOs, 77 LFSs and more than 1300 MBOs, with our reach extending from major metros to Tier-3 cities.

A detailed analysis of the Company's performance and outlook is included in the Management Discussion and Analysis Report, which forms part of this Annual Report.

DIVIDEND AND RESERVES

Your Directors have recommended an final dividend of ₹0.50 (25%) per Equity Share for the FY 2023-24. The final dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹ 32.24 million.

Transfer to reserves

No amount was transferred to the General Reserve for the year under review.

DIVIDEND DISTRIBUTION POLICY

The Company has adopted Dividend Distribution Policy, which endeavours for fairness, consistency and sustainability while distributing profits to the Members of the Company. The same has been disclosed on the Company's website at https://www.credobrands.in/investors/corporate-governance/#acc_631.

SIGNIFICANT EVENTS:

Issue of Bonus Shares

During the year under review, the Board of Directors at its Meeting held on April 07, 2023 allotted 9,645,282 equity shares of the Company of ₹10/- each as bonus equity shares (the "Bonus Equity Shares") credited as fully paid-up, to the eligible shareholders of the Company in the proportion of 3 (Three) bonus equity shares of ₹10/- each (Rupees Ten only) for every 1 (One) equity share of ₹10/- each (Rupees Ten only) and capitalised the Securities premium account to the extent of sum of ₹96,452,820/- (Rupees Nine Crore Sixty Four Lakh Fifty Two thousand Eight Hundred and Twenty only) to the credit of the Company's Securities Premium Account of the Company.

Subdivision of Equity Shares

During the year under review, pursuant to a Board resolution dated April 07, 2023 and Shareholders' resolution dated April 18, 2023, each existing equity shares of face value of ₹ 10/- each fully paid-up in the authorised, issued, subscribed and paid-up Share Capital of the Company has been sub divided into 5 (five) equity shares of face value of ₹2/- each fully paid-up ("Sub-Division"). Consequently, post issue of Bonus Equity Shares and subdivision of Equity Shares, the paid-up Equity Share Capital of the Company was ₹128,603,760 divided into 64,301,880 Equity Shares of ₹2 each, fully paid-up.

Issue of Equity Shares under Credo Stock Option Plan 2020

During the year under review, the Company has issued and allotted, an aggregate of 179,340 Equity Shares of ₹ 2/- each to the eligible employees of the Company upon exercise of Stock Options granted under the Credo Stock Option Plan 2020 of the Company, on February 23, 2024.

Consequently, the paid-up Equity Share Capital of the Company as at March 31, 2024 was ₹ 128,962,440 divided into 64,481,220 Equity Shares of ₹2 each, fully paid-up.

During the year under review, the Company has not issued any sweat equity shares or equity shares with differential rights.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, ("the Act"), your Directors, based on the representations received from the operating management and after due enquiry, confirm that:

a. in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis;

e. they have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and were operating effectively.

f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The following changes took place in the Board of Directors and Key Managerial Personnel of the Company.

Whole-time Director

During the year under review, pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on May 09, 2023 appointed Mrs. Poonam Khushlani as a Whole-time Director of the Company for a period of five years with effect from May 09, 2023. Subsequently, the Shareholders at their Extraordinary General Meeting held on July 04, 2023 have approved the appointment of Mrs. Poonam Khushlani as Whole-time Director and remuneration payable to her, during the tenure as Whole-time Director of the Company.

Independent Directors

During the year under review, the appointment of Mr. Amer Jaleel as an Independent Director of the Company has been ratified with effect from November 05, 2020 upto November 01, 2025 by the Board at its meeting held on May 09, 2023 and by the Shareholders at their Extra-ordinary General Meeting held on July 04, 2023.

Mr. Paresh Bambolkar and Mrs. Ramona Jogeshwar were appointed as Independent Directors of the Company for a period of five years w.e.f. May 09, 2023, pursuant to resolutions passed by the Board of Directors on May 09, 2023 and Special Resolutions passed by the Shareholders at their Extra-ordinary General Meeting held on July 04, 2023.

In the opinion of the Board, Independent Directors possess requisite expertise, integrity and experience (including proficiency) and are independent of the management of the Company.

Non-Executive Director

During the year under review, Mr. Manoj Nakra was appointed as a Non-Executive (Additional) Director of the Company with effect from May 09, 2023 by the Board of Directors at its Meeting held on May 09, 2023. Subsequently, the Shareholders at their Extraordinary General Meeting held on July 04, 2023 have approved the appointment of Mr. Manoj Nakra as Director of the Company, liable to retire by rotation.

Retire by rotation

Mr. Kamal Khushlani, Chairman and Managing Director retires by rotation and being eligible, offers himself for re-appointment.

A resolution seeking shareholders' approval for his appointment/re-appointment along with other required details forms part of the Notice.

Key Managerial Personnel

During the year under review, Mr. Rasik Mittal was appointed as Chief Financial Officer (Key Managerial Person) w.e.f. April 07, 2023.

Mr. Sanjay Kumar Mutha was appointed as Company Secretary of the Company w.e.f. April 07, 2023.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all Independent Directors of the Company confirming that each of them meet the criteria of independence as provided in section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). They have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the Management.

BOARD EVALUATION

The Nomination and Remuneration Committee, in order to facilitate the performance evaluation process, laid down the evaluation criteria and procedure.

The Board of Directors has carried out an annual evaluation of its own performance, Committees, and individual Directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the Board was evaluated after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, dynamics, participation, effectiveness of board processes, information and functioning, etc.

The performance of the Committees were evaluated by the Board after seeking inputs from the Committee members and other Board members on the basis of criteria such as the composition of committees, roles and responsibility, analysis, decision-making, effectiveness of committee meetings, etc.

Board's Report (Contd.)

In a separate meeting of Independent Directors, performance of Non-Independent directors, the Board as a whole and Chairman of the Company was also evaluated, taking into account the views of executive directors and non-executive directors.

The performance of individual Directors were reviewed on the basis of criteria such as the engagement, leadership, analysis, interaction, governance and contribution of the individual Director to the Board and Committee meetings, etc.

Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

The Independent Directors at their separate meeting held on March 30, 2024 and May 23, 2024 based on the feedback received from the Directors, reviewed the performance evaluation of Directors, the Board as a whole, the Chairman of the Board after taking into account the views of executive directors and nonexecutive directors of the Company and also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Independent Directors expressed their appreciation for the overall functioning of the Board, its various Committees and with the performance of other Non-executive and Executive Directors. They also appreciated the in-depth knowledge and leadership role of the Chairman of the Board. The Board expressed its satisfaction with the overall evaluation process.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board has adopted the Remuneration policy for Directors, Key Managerial Personnel and other employees of the Company under section 178(4) of the Act and Policy on diversity of Board of Directors. These policies are available at the Company's website at https://www.credobrands.in/investors/corporate-governance/#acc_631.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, 11 meetings of the Board of Directors of the Company were held, which were attended by majority of directors. For details of meetings of the Board, please refer to the Corporate Governance Report, which forms part of the Annual Report.

AUDIT COMMITTEE

During the year under review, the Board has constituted an Audit Committee comprising of Mr. Paresh Bambolkar as Chairman of the Committee and Mr. Amer Jaleel and Mr. Manoj Nakra as other Members of the Committee w.e.f. May 09, 2023. The Company Secretary of the Company acts as the Secretary of the Committee. All Members of the Committee possess accounting and financial management expertise. For further details of the Audit Committee, please refer to the Corporate Governance Report, which forms part of the Annual Report.

SUBSIDIARY

KAPS Mercantile Private Limited ("KAPS)" was incorporated on August 05, 2008 and was engaged in the business of providing services of manufacturing of garments on Job work basis.

The Company holds 100% of the equity stake in the KAPS since, April 28, 2022.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiary, have been prepared in accordance with the Act and applicable Indian Accounting Standards (Ind AS) along with all relevant documents and the Auditors' Report thereon, forms part of the Annual Report.

Pursuant to the provisions of section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiary as on March 31, 2024 in the prescribed Form AOC-1 is attached to the Financial Statements of the Company, which forms part of the Annual Report.

In accordance with the provisions of section 136(1) of the Act, the Annual Report of the Company, containing therein the standalone and consolidated Financial Statements of the Company and the audited financial statements of the subsidiary have been uploaded on the website of the Company. The audited financial statements in respect of the subsidiary company shall also be kept open for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of forthcoming Annual General Meeting. The aforesaid documents relating to subsidiary company would be made available to any Member interested in obtaining the same upon a request made to the Company.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

Pursuant to the provisions of section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Deloitte Haskins and Sells LLP, Chartered Accountants (Firm Registration No. 117366W / W-100018) had been appointed as the Statutory Auditors of the Company to hold office for second term of five years from the conclusion of the Twentieth Annual General Meeting of the Company held on September 30, 2019 until the conclusion of the forthcoming Twenty-fifth Annual General Meeting of the Company.

Auditors' Report

The Auditors' Reports on the Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2024 are issued with unmodified opinion.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. M Siroya and Company, Company Secretaries (Certificate of Practice Number: 4157) to undertake the Secretarial Audit of the Company.

Secretarial Audit Report and Annual Secretarial Compliance Report

The Company has annexed a Secretarial Audit Report for the Financial Year 2023-24 given by the Secretarial Auditor, to this Report as Annexure A. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Annual Secretarial Compliance Report duly issued by Secretarial Auditors for the Financial Year 2023-24 for applicable compliances as per SEBI Regulations and Circulars / Guidelines issued thereunder, has been submitted to the Stock Exchanges.

RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL

The Management met periodically for identifying, assessing, mitigating and monitoring of all risks associated with the business of the Company. During the year under review, the Risk Management Committee reviewed the risks which may affect its operations, employees, customers, vendors and all other stakeholders from both the external and the internal environment perspective. Based on the risk identification, appropriate actions have been initiated to mitigate and/or monitor such risks on a regular basis.

Other Risks associated to the business of the Company including cyber risk and cyber security such as prevention measures on threats, Malware, Virus and web application threats, were being periodically reviewed by the Risk Management Committee.

Based on the various IT systems and procedures for internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal and statutory auditors including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management, Risk Management Committee and Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year under review.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable provision of Secretarial Standards on meetings of the Board of Directors ("SS-1") and on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India in terms of section 118(10) of the Act.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The composition of the Committee, brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure B of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The terms of reference of the Corporate Social Responsibility Committee are provided in the Corporate Governance Report, which forms part of the Annual Report.

EMPLOYEES STOCK OPTIONS

The Company has in-force Credo Stock Option Plan 2020. The disclosures as required under the Act with regard to the Credo Stock Option Plan 2020 are given in Annexure C to this Report and also available on the Company's website at www.credobrands.in.

PARTICULARS OF EMPLOYEES

Details of employee remuneration as required under provisions of Section 197(12) of the Act, read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules will be made available during 21 days before the Annual General Meeting in electronic mode to any Shareholder upon request sent at Investorrelations@Mufti.in. Such details are also available on your Company's website and can be accessed at the Web-link: https://www.credobrands.in/investors/financials/#acc_46.

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure D to this Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always endeavoured to provide a safe, secured and harassment free workplace for every individual working in the Company and to create an environment that is free from any discrimination and sexual harassment.

Board's Report (Contd.)

The Company has in place a policy on prevention of sexual harassment of women at workplace. The Company has a Committee of Prevention of Sexual Harassment of Women at Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Committee is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. The Committee met four times during the year under review.

During the year under review, there was no case filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

During the year under review, the Company has adopted Vigil Mechanism and Whistle Blower Policy for Stakeholders of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company and the same would also be available on the Company's website at https://www.credobrands.in/investors/.

ANNUAL RETURN

In accordance with section 134(3)(a) and section 92(3) of the Act, the annual return as on March 31, 2024, in prescribed format is available on the Company's website at https://www.credobrands.in/investors/statutory-documents/#acc_48.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company has not given any loan, guarantee or security under section 186 of the Act. The details of investments, as required under the provisions of section 186 of the Act or Para A of Schedule V of the Listing Regulations, are provided in Notes forming part of the Standalone Financial Statements, which form part of the Annual Report.

Disclosure of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

During the year under review, the Company has not given any Loans and advances in the nature of loans to firms/ companies in which directors were interested.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis. Particulars of contracts or arrangements with related parties as required under section 134(3)(h) of the Act, in the prescribed Form AOC-2 is given in Annexure E, which forms part of this Report.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under section 134(3)(m) of the Act read with rule 8 of the Companies (Accounts) Rules, 2014, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, are given in Annexure F, which forms part of this Report.

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as on March 31, 2024.

INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to section 124 of the Act, all dividends declared by the Company have been fully paid to the Shareholders of the Company. There was no dividend that remained unpaid / unclaimed with the Company as on March 31, 2024, which required to be transferred to the IEPF.

CREDIT RATINGS

Your Company has obtained ratings from CARE Ratings Limited (CARE) for the Company's long-term and short-term credit facility, as follows:

Credit Facilities	Rating
Long Term Bank Facilities	CARE A+; Stable (Single A Plus; Outlook: Stable)
Short Term Bank Facilities	CARE A+; Stable / CARE A1+ (Single A Plus; Outlook: Stable / A One Plus)

During the year under review, there were no change in the credit ratings assigned to the Company's long-term and short-term credit facility.

DISCLOSURE REQUIREMENTS

- Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148(1) of the Act are not applicable for the business activities carried out by the Company.
- The Managing Director of the Company did not receive any remuneration or commission from the subsidiary of the Company.

Board's Report (Contd.)

- Except as disclosed elsewhere in this Report, there are no material changes affecting the financial position of the Company, subsequent to the end of the financial year under review till the date of this Report.
- There were no events relating to non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to section 67(3) of the Act read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014.
- During the year under review, the statutory auditors have not reported to the Board, under section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.
- There has been no change in the nature of business of the Company.
- There was no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of onetime settlement with any Bank or Financial Institution.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its operations in future.
- No equity shares were issued with differential rights as to dividend, voting or otherwise.
- No Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Scheme save and except Credo Stock Option Plan - 2020 referred to in this Report.

ACKNOWLEDGEMENT

The Board places on record its sincere appreciation and thanks our customers, bankers, investors, shareholders, vendors and all other stakeholders for their continued support and patronage, extended to the Company.

For and on behalf of the Board of Directors

Kamal Khushlani
Chairman and Managing Director

Mumbai
Date: May 30, 2024

ANNEXURE A

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Credo Brands Marketing Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Credo Brands Marketing Limited (hereinafter referred to as the "Company"/ "Credo") for the audit period covering the financial year ended March 31, 2024. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the relevant and applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, (not applicable during the Financial Year); and

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable during the financial year);

(g) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable during the financial year);

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during the financial year).

(vi) As confirmed by the management, there are no other laws specifically applicable in relation to the business of the Company.

We have also examined compliance with the applicable clauses of the following:

(i) The Equity Listing Agreements entered into by the Company with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"); and

(ii) Secretarial Standards issued by the Institute of Company Secretaries of India, as amended from time to time.

Note: The Company was Listed on BSE and NSE on December 27, 2023, pursuant to which SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred to as "LODR") became applicable on the Company.

Annexure A (Contd.)

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable. However, filing of certain forms with the Ministry of Corporate Affairs were delayed and filed with additional fees.

Other statutes, Acts, Laws, Rules, Regulations, Guidelines and Standards etc., as applicable to the Company are given below:

(i) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.

(ii) Acts as prescribed under Direct Tax and Indirect Tax;

(iii) Acts prescribed under prevention and control of pollution;

(iv) Acts prescribed under environmental protection;

(v) Land Revenues Act of respective states;

(vi) Stamp Acts and Registration Acts of respective States;

(vii) Labour Welfare Act of respective States; and

(viii) Such other Local laws etc. as may be applicable in respect of various offices of the Company.

We further report that the Board of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The following changes in the composition of the Board of Directors and key management personnel that took place during the year under review were carried out in compliance with the provisions of the Act:

Name of the Director/Key Managerial Personnel of the Company	Designation	Appointment/ Resignation	Date of Appointment/ Cessation
Mr. Paresh Bambolkar (DIN:00260136)	Independent Director	Appointment	May 09, 2023
Mrs. Ramona Jogeshwar (DIN:10100012)	Independent Director	Appointment	May 09, 2023
Mr. Manoj Nakra (DIN:08566768)	Non-Executive Director	Appointment	May 09, 2023
Mrs. Poonam Khushlani	Whole-Time Director	Appointment	May 09, 2023
Mr. Rasik Mittal	Chief Financial Officer	Appointment	April 07, 2023
Mr. Sanjay Kumar Mutha	Company Secretary and Compliance Officer	Appointment	April 07, 2023

Adequate notice was given to all the Directors to schedule the Board Meetings / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the Unpublished Price Sensitive Information which were, pursuant to clause no. 1.3.7 of Secretarial Standard 1 ("SS 1"), circulated separately or placed at the Meetings of the Board and the Committees, after due compliance with the SS 1, in certain cases where meetings were held through shorter notice after due compliance of the applicable provisions and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation & deliberations at these Meetings. Additionally, in some cases, General Meetings were held on shorter notice after due compliance of the applicable provisions.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company in order to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has undertaken the following significant or material corporate events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

(i) The Board of Directors at their meeting held on April 07, 2023, granted their approval for allotment of 9,645,282 equity shares of the Company of ₹ 10/- each as bonus equity shares in the proportion of 3 bonus equity shares of ₹10/- each for every 1 equity share of ₹10/- each to the eligible shareholders as on March 31, 2023 being the record date.

(ii) The members at their Extra-Ordinary General meeting held on April 18, 2023, inter-alia, granted their approval for the following:

Annexure A (Contd.)

a.) Subdivision of equity shares having face value of ₹ 10 each into equity shares having a face value of ₹ 2/- each fully paid-up equity shares and consequent amendment to Memorandum of Association of the Company;

b.) Conversion of the Company from Private Limited Company to Public limited Company;

c.) Adoption of revised Articles of Association of the Company;

d.) Sale of Brand/ Trademark in the name and style of "not equal to" to Mr. Andrew Khushlani (a related party) for a consideration not less than the related cost incurred by the Company.

(iii) The members at their Extra-Ordinary General meeting held on July 4, 2023, inter-alia, granted their approval for the following:

a.) Ratification of appointment and revision of remuneration payable to Mr. Kamal Khushlani (DIN:00638929) as the Chairman and Managing Director of the Company;

b.) Appointment and remuneration payable to Mrs. Poonam Khushlani (DIN: 01179171) as Whole Time Director of the Company;

c.) Ratification of Appointment of Mr. Amer Jaleel (DIN:03194596) as Independent Director of the Company;

d.) Approval of related party transaction with Smartglobal solutions and services;

e.) Approval for amendment to the Credo Stock option plan 2020 for the employees of the Company;

f.) Adoption of new set of Articles of Association.

(iv) Details/ Events of IPO:

a) On July 13, 2023, the Board approved Draft Red Herring Prospectus and the same was filed with the Securities and Exchange Board of India ("SEBI") on July 14, 2023;

b) The Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares vide letters dated September 1, 2023;

c) On December 12, 2023 the Board approved the Red herring Prospectus ("RHP") and the same was filed with SEBI on December 13, 2023;

d) The RHP was filed with ROC on December 13, 2023, and the same was approved by the ROC on December 13, 2023;

e) On December 21, 2023, the Board approved and adopted Prospectus and it was filed with the RoC on December 22, 2023 and the same was approved on December 22, 2023;

f) Approved prospectus was filed with SEBI , BSE and NSE on December 22, 2023; and

g) The IPO of 19,634,960 equity shares of face value of ₹ 2 each (the "Equity Shares") of the Company for cash at a price of ₹ 280 per Equity Share (including a share premium of ₹ 278 per Equity Share) aggregating up to ₹ 5,497.79 million ("Offer"), comprising an offer for sale of up to 4,140,000 Equity Shares aggregating up to ₹ 1,159.20 million by Kamal Khushlani, up to 4,275,000 Equity Shares aggregating up to ₹ 1,197.00 million by Poonam Khushlani, up to 108,000 Equity Shares aggregating up to ₹ 30.24 million by Sonakshi Khushlani and up to 108,000 Equity Shares aggregating up to ₹ 30.24 million by Andrew Khushlani, up to 2,032,260 Equity Shares aggregating up to ₹ 569.03 million by Concept Communication Limited, up to 5,031,260 Equity Shares aggregating up to ₹ 1,408.75 million by Bela Properties Private Limited, up to 1,970,220 Equity Shares aggregating up to ₹ 551.66 million by Jay Milan Mehta and up to 1,970,220 Equity Shares aggregating up to ₹ 551.66 million by Sagar Milan Mehta (together "Selling Shareholders") was opened and closed for subscription on December 18, 2023 for Anchor Investors and for other categories opened on December 19, 2023 and closed on December 21, 2023. The issue was oversubscribed. Accordingly, 19,634,960 equity shares of ₹ 2 each were transferred from the Selling Shareholders to the allotees under the Issue on December 26, 2023. The Equity Shares of the Company were listed on the BSE Limited and the National Stock Exchange of India Limited with effect from December 27, 2023.

For M Siroya and Company
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157
UDIN: F005682F000495435
PR. NO: 1075/2021

Date: May 31, 2024
Place: Mumbai

Annexure A (Contd.)

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'Annexure A'

To,
The Members,
Credo Brands Marketing Limited.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M Siroya and Company
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157
UDIN: F005682F000495435
PR. NO: 1075/2021

Date: May 31, 2024
Place: Mumbai

ANNEXURE B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

FOR THE FINANCIAL YEAR 2023-24

1. Brief outline on CSR Policy of the Company:

The Company focuses on making a positive contribution to society through high impact, sustainable programs. The Company is committed to empowerment of communities, inclusive socioeconomic growth, environment protection, development of backward regions and upliftment of the marginalised and underprivileged sections of the society. The Company is committed towards the above objective and is keen on developing a sustainable business model to ensure and activate our future growth drivers. The CSR Policy of the Company inter-alia includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 ("the Act"), read with applicable rules thereto.

2. Composition of CSR Committee:

Sl. no.	Name of Director	Designation / nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Kamal Khushlani	Chairman	2	2
2	Mrs. Poonam Khushlani	Member	2	2
3	Mrs. Ramona Jogeshwar *	Member	1	1

* Appointed as Member w.e.f. May 09, 2023

3. Provide the web-link where Composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of the company.

i. **Web-link Composition of CSR committee:**
https://www.credobrands.in/investors/corporate-governance/#acc_759

ii. **Web-link CSR Policy:**
https://www.credobrands.in/investors/corporate-governance/#acc_631

iii. **Web-link CSR projects approved by the board: - *Not Applicable***

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility policy) Rules, 2014 (the "Rules"), if applicable:

- Not Applicable

5.

		(₹ in million)
(a)	Average net profit of the company as per sub-section (5) of section 135.	531.82
(b)	Two percent of average net profit of the company as per sub-section (5) of section 135.	10.64
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	0.00
(d)	Amount required to be set-off for the financial year, if any.	0.00
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	10.64

6.

		(₹ in million)
(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	10.64
(b)	Amount spent in Administrative Overheads.	0.00
(c)	Amount spent on Impact Assessment, if applicable.	0.00
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	10.64

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in million)	Amount Unspent (₹ in million)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
10.64	Nil	Nil	Nil	Nil	Nil

Annexure B (Contd.)

(f) Excess amount for set off, if any

Sl. No.	Particular	(₹ in million)
(i)	Two percent of average net profit of the company as per section 135(5)	10.64
(ii)	Total amount spent for the Financial Year	10.64
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

(₹ in million)

Sl. no.	Preceding financial Year(s)	Amount transferred to Unspent CSR account under section 135 (6)	Balance Amount in Unspent CSR Account under Section 135 (6)	Amount spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		amount remaining to be spent in succeeding financial years.	Deficiency, if any
					Amount	Date of transfer		
1	2022-23							
2	2021-22				Nil			
3	2020-21							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes ☐ No ☑

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
			Not Applicable				

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).
: Not Applicable

For and on behalf of the Board of Directors

Kamal Khushlani
Chairman and Managing Director
Chairman CSR Committee

Date: May 30, 2024

ANNEXURE C

DISCLOSURE WITH RESPECT TO CREDO STOCK OPTION PLAN – 2020 OF THE COMPANY AS AT MARCH 31, 2024

The Company has implemented Credo Stock Option Plan 2020 ("Scheme" or "Credo Stock Option Plan 2020"), pursuant to resolution passed by the Board of Directors on November 02, 2020 and Special resolution passed by the Shareholders at their Extraordinary General Meeting held on November 05, 2020. The Board has granted Options to the eligible employees under the Credo Stock Option Plan 2020.

Subsequently, the Shareholders of the Company have approved the issue and allotment of Bonus shares in the ratio of 3:1 on April 07, 2023 and thereafter Subdivision of one equity shares of ₹ 10 each into five equity shares of ₹ 2 each on April 18, 2023 ("Corporate Actions"), pursuant to which the issued, subscribed and paid-up equity share capital of the Company have been increased/given effect. Pursuant to the aforesaid Corporate Actions undertaken by the Company, appropriate adjustments were made to the stock options (which includes vested, unvested and yet to be granted stock options) and also respective exercise price to the stock options, which have already been granted to eligible employees of the Company under the Credo Stock Option Plan 2020 and remain outstanding as on date.

The Scheme has further been revised in line with the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, vide Special resolution passed by the Shareholders of the Company at their Extraordinary General Meeting held on July 04, 2023.

Sl. No.		Particulars	
A.	**Disclosures in terms of the relevant Indian Accounting Standards, as prescribed from time to time**		
	Refer note. no. 37 in Notes forming part of the Standalone Financial Statements.		
B.	**Diluted Earnings Per Share (EPS) on issue of Shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Indian Accounting Standard 33, as prescribed from time to time**		
	Refer note. no. 35 in Notes forming part of the Standalone Financial Statements.		
C.	**Description and general terms and conditions of Credo Stock Option Plan 2020**		
(i)	**The description including terms and conditions of Credo Stock Option Plan 2020 is summarised as under:**		
	a.	Date of Shareholders' approval	November 05, 2020
	b.	Total number of Options approved	5,107,300 (Fifty-One Lakh Seven Thousand and three hundred only) Options under Credo Stock Option Plan 2020 (after giving effect of Corporate Actions)
	c.	Vesting requirements	Options granted under Credo Stock Option Plan 2020 would vest not less than 1 year and not more than 5 years from the date of grant of such Options.
	d.	Exercise price or pricing formula	The Exercise Price would be decided by the Nomination and Remuneration Committee at the time of grant and shall not be less than the face value per share per Option. Exercise price for existing Options granted under the Scheme is 31.35/- per Option.
	e.	Maximum term of Options granted	Ten years from the date of respective Grant(s).
	f.	Source of shares (primary, secondary or combination)	Primary
	g.	Variation in terms of Options	1. Appropriate adjustment has been made in no. of options and exercise price, in view of the aforesaid Corporate Actions undertaken by the Company. 2. The Scheme has been revised in line with the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
	h.	Method used to account for ESOS - Intrinsic or fair value	Fair Value Method

Annexure C (Contd.)

	i.	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	N.A.
(ii)	**Option movement during the year under review**		
	a.	Number of Options outstanding at the beginning of the year	2,800,720
	b.	Number of Options granted during the year	120,000
	c.	Number of Options forfeited / lapsed / cancelled during the year	Nil
	d.	Number of Options vested during the year	610,380
	e.	Number of Options exercised during the year	179,340
	f.	Number of shares arising as a result of exercise of Options	179,340
	g.	Money realised by exercise of Options, if scheme is implemented directly by the Company (in ₹)	5,622,309
	h.	Loan repaid by the Trust during the year from exercise price received	N.A.
	i.	Number of Options outstanding (in force) at the end of the year	2,741,380
	j.	Number of Options exercisable at the end of the year	1,901,000
D	**Employee wise details of options granted to:**		
	(i)	key managerial personnel;	
		Name of Employee	No. of Options
		Sanjay Kumar Mutha	120,000
	(ii)	any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during the year under review.	
		Name of Employee	No. of Options
		None	N.A.
	(iii)	Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital(excluding outstanding warrants and conversions) of the company at the time of grant;	
		Name of Employee	No. of Options
		None	N.A.

For and on behalf of the Board of Directors

Kamal Khushlani
Chairman and Managing Director

Date: May 30, 2024

ANNEXURE D

The information under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year:

Name	Ratio to median remuneration	% increase in remuneration in the financial year
Independent Directors:		
Mr. Amer Jaleel	1.29	337.50
Mr. Paresh Bambolkar	1.32	NA*
Mrs. Ramona Jogeshwar	0.81	NA*
Non-executive Director:		
Mr. Manoj Nakra	1.18	NA*
Executive Directors:		
Mr. Kamal Khushlani	47.50	(10.83)
Mrs. Poonam Khushlani	7.42	Nil
Key Managerial persons:		
Mr. Rasik Mittal, Chief Financial Officer **	NA	Nil
Mr. Sanjay Kumar Mutha, Company Secretary***	NA	NA ****

* Appointed with effect from May 09, 2023.

** Appointed as Chief Financial Officer with effective from April 07, 2023.

*** Appointed as Company Secretary with effective from April 07, 2023.

**** Remuneration received in 2023-24 is not comparable with remuneration received in 2022-23 (for part of the year) and hence not stated.

b. The percentage increase in the median remuneration of employees in the financial year is 9.11 percent.

c. The number of permanent employees on the rolls of Company are 232 as on March 31, 2024.

d. During the year under review, an average percentage increase made in the salaries of employees other than the managerial personnel was 5% to 9% whereas the percentage of managerial remuneration was decreased by 9.51%.

The remuneration of the Managing Director and Executive Director is decided based on the individual performance as well as performance of the Company, prevailing industry trends and benchmarks.

e. The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Kamal Khushlani

Chairman and Managing Director

Date: May 30, 2024

ANNEXURE E

FORM NO. AOC. 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Act, including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2024, which were not at arm's length basis.

2. **Details of material contracts or arrangements or transactions at arm's length basis:**

   The details of material contracts or arrangements or transactions at arm's length basis entered into during the year ended March 31, 2024 are as follows:

Name of the Related Party and Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value ₹. in core)	Date(s) of approval by the Board/ Shareholders, if any	Amount paid as advances, if any
SmartGlobal Solutions and Services; Proprietor - Mr. Manoj Nakra – Non-Executive Director of the Company	Availing of advisory services for strengthening the Company's eCommerce capability and associated activities.	36 months	A fee of ₹ 2.60 Lakh per month plus out of pocket expenses at actual. During the tenure, revision in fee would be in the range of ₹ 2.60 Lakh to ₹ 4.00 Lakh per month, as may be mutually agreed with the consultant.	Approval of Board of Directors on May 09, 2023 and Shareholders on July 04, 2023.	None

During the year 2023-24, there were no transactions with any entity belonging to the Promoter Group and holding 10% or more shareholding in the Company.

For and on behalf of the Board of Directors

Kamal Khushlani

Chairman and Managing Director

Date: May 30, 2024

ANNEXURE F

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo, pursuant to the provisions of section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is provided as under:

(A) Conservation of Energy:

i. the steps taken or impact on conservation of energy	The operations of the company are not energy intensive; however adequate measures have been taken to reduce energy consumption, wherever possible through consumption of renewable energy, installation of temperature-controlled air conditioners, Motion sensory lighting, replacement of old lighting fixtures with LED lights, use of natural lights in offices/stores and warehouse premises. The Company's new warehouse is powered completely by solar energy. The warehouse of over 142,700 Sq. fts. is built on a 55,000 Sq. fts parcel of land to best utilise land and also designed to be naturally well lit and cross ventilated with motion sensory lighting.
ii. the steps taken by the Company for utilising alternate sources of energy	
iii. the capital investment on energy conservation equipment's	Nil

(B) Technology absorption:

i. the efforts made towards technology absorption	The Company continues to explore and avail the latest technology to improve the products and services to the customers.
ii. the benefits derived like product improvement, cost reduction, product development or import substitution	
iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	N.A.
(a) the details of technology imported;	
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons there of.	
iv. the expenditure incurred on Research and Development.	Nil

(C) Foreign Exchange Earnings and Outgo:

Foreign Exchange earnings and outgo during the year under review are as follows:

(₹ in million)

Particulars	Financial Year 2023-24	Financial Year 2022-23
Foreign Exchange Earnings	0.00	0.00
Foreign Exchange Outgo	4.26	0.55

For and on behalf of the Board of Directors

Kamal Khushlani
Chairman and Managing Director

Date: May 30, 2024

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy is based on the principles of good governance, integrity, transparency, fairness, responsibility and accountability. We strive to create an organisation working towards sustainable and profitable growth to create long-term value for our people, business partners, customers and shareholders.

During the year under review, the Company's equity shares were listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has taken various initiatives to further strengthen the corporate governance practices and adopted various codes / policies, pursuant to the Companies Act, 2013 ('the Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015.

The Company has also laid down a Code of Conduct ("Code") for Directors and Senior Management Personnel of the Company and adopted Code of Conduct for Independent Directors as prescribed under Schedule IV of the Act. The Code aims to ensure consistent standards of conduct and ethical business practices across the Company.

The Company has complied with all the provisions as stipulated in regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, for the financial year ended March 31, 2024.

BOARD OF DIRECTORS

The composition of the Board of Directors of the Company ("the Board") is in conformity with the requirement of regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act. As on March 31, 2024, the Board of Directors of the Company comprises of six Directors.

The Board consists of a balanced combination of Executive Directors, Non-Executive Director(s), Independent Directors including Independent Woman Director. The Chairman of the Board is Executive Director and the number of Independent Directors is 50% of the total number of Directors. The number of Non- Executive Directors (NEDs) are more than one-half of the total number of Directors.

None of the Directors on the Board is serving as an Independent Director in more than seven / three listed entities, as specified in regulation 17A of the SEBI Listing Regulations.

None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five Committees, as specified in regulation 26 of SEBI Listing Regulations, across all the public companies in which he/she is a director. Further, the maximum tenure of Independent Directors is in line with the provisions of sections 149(10) and 149(11) of the Act and Rules made thereunder.

The information on composition of the Board, Category and their Directorships and Committees' Membership / Chairmanship across all the companies in which they are Directors, as on March 31, 2024 is as under:

Name of Director	DIN	Category	No. of Directorships*		**No. of Memberships / Chairmanships of Committees in public companies	
			Public	Private / Non profit	Memberships	Chairmanships
Mr. Kamal Khushlani	00638929	Chairman and Managing Director (Promoter)	1	1	0	0
Mrs. Poonam Khushlani	01179171	Whole-time Director (Promoter)	1	1	1	0
Mr. Manoj Nakra$	08566768	Non-Executive Director	2	1	2	1
Mr. Amer Jaleel	03194596	Independent Director	1	1	1	0
Mr. Paresh Bambolkar#	00260136	Independent Director	1	1	2	1
Mrs. Ramona Jogeshwar#	10100012	Independent Director	1	0	0	0

* No. of directorships held by the Directors does not include directorships in foreign companies.

** In accordance with regulation 26 of the SEBI Listing Regulations, Memberships / Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

$ Appointed as Non-executive Director with effect from May 09, 2023.

\# Appointed as an Independent Director with effect from May 09, 2023.

The details of directorships held by Directors in other listed entities as on March 31, 2024 are as under:

Name of Director	Name of the other listed entities where he/she is a director	Category of directorship
Mr. Manoj Nakra	• Arvind Fashions Limited	Independent

The details of Shares held by the Directors in the Company as on March 31, 2024 are as follows:

Name of Director	Number of Shares held
Mr. Kamal Khushlani	18,120,420
Mrs. Poonam Khushlani	13,889,380

Note: Except Shares held by the Directors as above, none of the Non-executive directors holds shares/ convertible instruments in the Company.

The details of the familiarisation program of the Independent Directors are available on the website of the Company at the link https://www.credobrands.in/investors/corporate-governance/#acc_631

In terms of regulation 25(8) of SEBI Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board of Directors, based on the declarations received from the Independent Directors, have confirmed that they meet the criteria of independence as mentioned under regulation 16(1)(b) of the SEBI Listing Regulations read with section 149(6) of the Act along with rules framed thereunder and that they are independent of the management.

BOARD MEETINGS

During the year under review, eleven Board meetings were held on April 07, 2023, May 09, 2023, June 07, 2023, June 26, 2023, July 13, 2023, October 20, 2023, December 12, 2023, December 21, 2023, January 16, 2024, February 14, 2024, and March 30, 2024.

The gap between two meetings did not exceed one hundred and twenty days as prescribed under the Act and in the SEBI Listing Regulations. Twenty Fourth Annual General Meeting (AGM) of the Company was held on September 14, 2023.

The attendance of Directors at the above Board Meetings and AGM is as under:

Name of Director	No. of Board Meetings		AGM
	Held	Attended	
Mr. Kamal Khushlani	11	11	Yes
Mrs. Poonam Khushlani	11	11	Yes
Mr. Manoj Nakra[$]	10	10	Yes
Mr. Amer Jaleel	11	11	Yes
Mr. Paresh Bambolkar[#]	10	10	Yes
Mrs. Ramona Jogeshwar[#]	10	9	Yes

[$] Appointed as Non-executive Director with effect from May 09, 2023.

[#] Appointed as an Independent Director with effect from May 09, 2023.

MATRIX SETTING OUT SKILLS/ EXPERTISE/ COMPETENCE AS IDENTIFIED BY THE BOARD

The Company's Board is diversified and well constituted and having qualified, experienced, competent including renowned persons from diverse fields. The Board evaluates its composition and effectiveness to identify not only the individual capabilities across the Board members, but also to review the qualitative aspects of effectiveness, the dynamics, relationship and overall success of the Board as a team.

The Board has identified the core skills/ expertise/ competence matrix which provides a guide as to the skills, knowledge, experience and other criteria appropriate in the context of its business(es) and sector(s), for the Board to function effectively. The table below summarises the key skills and area of expertise of each directors:

Name of Directors	Business Experience	Financial and Risk oversight	Technology	Sales and Marketing	Governance & compliance oversight
Mr. Kamal Khushlani	✓	✓	✓	✓	✓
Mrs. Poonam Khushlani	✓	✓	-	✓	✓
Mr. Manoj Nakra	✓	✓	✓	✓	✓
Mr. Amer Jaleel	✓	✓	✓	✓	✓
Mr. Paresh Bambolkar	✓	✓	✓	✓	✓
Mrs. Ramona Jogeshwar	✓	✓	-	✓	✓

BOARD EVALUATION

The Board carries out an annual assessment of its own performance, including with respect to their composition, diversity and how effectively their members work together, with the aim of helping to improve the effectiveness of both the Board and the Committees.

Further, the Company has also devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors. The Non-executive Independent Directors were evaluated on the criteria such as engagement, leadership, analysis, quality of decision making, interactions, integrity, corporate governance, responsibility towards stakeholders, contribution, attendance, inter-personal relationship, etc.

AUDIT COMMITTEE

During the year under review, the Board of Directors has constituted the Audit Committee with effect from May 09, 2023.

The Audit Committee of the Company comprises of three Directors, out of whom two are Independent Directors. Mr. Paresh Bambolkar, Chairman of the Committee is an Independent Director. All Members of the Committee possess accounting and financial management expertise. The Chairman of the Committee was present at the Twenty Fourth Annual General Meeting of the Company held on September 14, 2023.

The Company Secretary functions as Secretary to the Committee.

During the year under review, eight meetings of the Committee were held on June 26, 2023, July 13, 2023, October 20, 2023, December 05, 2023, December 12, 2023, January 16, 2024, February 14, 2024 and March 30, 2024. The gap between two Meetings did not exceed one hundred and twenty days as prescribed in the SEBI Listing Regulations.

The composition of the Committee and the attendance of the Members at the above meetings are as under:

Name of Director	Designation	No. of Meetings	
		Held	Attended
Mr. Paresh Bambolkar	Chairman	8	8
Mr. Amer Jaleel	Member	8	8
Mr. Manoj Nakra	Member	8	8

The Committee's composition meets with the requirements of section 177 of the Act and regulation 18 of the SEBI Listing Regulations.

TERMS OF REFERENCE

The Committee has been mandated to comply with the terms of reference as specified in Part C of Schedule II of the SEBI Listing Regulations, section 177 of the Act and other terms of reference, as may be assigned to the Committee from time to time by the Board. Terms of reference of the Committee are as under:

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference;

(2) to seek information from any employee;

(3) to obtain outside legal or other professional advice;

(4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and

(5) such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

B. Role of Audit Committee

The role of the Audit Committee shall include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;

(5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

b. Changes, if any, in accounting policies and practices and reasons for the same;

c. Major accounting entries involving estimates based on the exercise of judgment by management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions; and

g. Modified opinion(s) in the draft audit report.

(7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(10) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

(11) scrutiny of inter-corporate loans and investments;

(12) valuation of undertakings or assets of the Company, wherever it is necessary;

(13) evaluation of internal financial controls and risk management systems;

(14) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(15) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(16) discussion with internal auditors of any significant findings and follow up there on;

(17) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(18) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(19) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(20) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(21) reviewing the functioning of the whistle blower mechanism;

(22) monitoring the end use of funds raised through public offers and related matters;

(23) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimisation of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(24) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(25) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

(26) reviewing the utilisation of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;

(27) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and

(28) To carry out such other functions as may be specified by the Board of Directors from time to time or specified/ provided under the Companies Act or the SEBI Listing Regulations or by any other regulatory authority.

NOMINATION AND REMUNERATION COMMITTEE

During the year under review, the Board of Directors has constituted the Nomination and Remuneration Committee with effect from May 09, 2023.

The Nomination and Remuneration Committee of the Company comprises of three Non-Executive Directors, out of whom two are Independent Directors. Mr. Amer Jaleel, Chairman of the Committee is an Independent Director.

During the year under review, three meetings of the Committee were held on May 09, 2023, August 14, 2023 and March 27, 2024.

The composition of the Committee and the attendance of the Members at the above meetings are as under:

Name of Director	Designation	No. of Meetings	
		Held	Attended
Mr. Amer Jaleel	Chairman	3	3
Mr. Manoj Nakra	Member	3	3
Mrs. Ramona Jogeshwar	Member	3	3

The Committee's composition meets with the requirements of section 178(1) of the Act and regulation 19 of the SEBI Listing Regulations.

TERMS OF REFERENCE

The Committee has been mandated to comply with the terms of reference as specified in Part D of the Schedule II of the SEBI Listing Regulations, section 178 of the Act, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and as may be assigned by the Board from time to time.

The role of the Committee inter-alia includes the following:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "**Board**" or "**Board of Directors**") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**").

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) for appointment of an independent director, it shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a) use the services of an external agencies, if required;

b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

c) consider the time commitments of the candidates.

(ii) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors and the quality required to run our Company successfully;

(iii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iv) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(2) Formulation of criteria for evaluation of independent directors and the Board;

(3) Devising a policy on diversity of the Board;

(4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

(5) Analysing, monitoring and reviewing various human resource and compensation matters;

(6) Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(7) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(8) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(9) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;

Explanation: The expression senior management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.

(10) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(11) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;

(12) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

(a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

(13) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

1. use the services of an external agencies, if required;

2. consider candidates from a wide range of backgrounds, having due regard to diversity; and

3. consider the time commitments of the candidates.

(14) Carrying out such other functions as may be specified by the Board of Directors from time to time or specified/provided under the Companies Act or the SEBI Listing Regulations or by any other regulatory authority.

REMUNERATION OF DIRECTOR

Remuneration Policy

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's remuneration policy is designed to attract, retain and motivate employees by offering appropriate remuneration packages and retiral benefits and also rewarding performance of key employees by offering employee stock options to contribute and participate in the overall corporate growth, profitability and financial success of the organisation. The remuneration policy is in consonance with the existing industry practice.

Remuneration policy for Executive Directors:

The Company pays remuneration inter-alia by way of salary, benefits, perquisites and allowances (fixed component) and commission or performance bonus (variable component) to its Managing Director or Whole-time Director, as may be approved by the Board and the Members of the Company. In determining the remuneration package of the Executive Directors, the Nomination and Remuneration Committee (NRC) evaluates the remuneration paid by comparable organisation and thereafter makes its recommendation to the Board. Annual increments are decided by the NRC within the scale of remuneration approved by the Members of the Company. NRC also reviews and decides on the quantum of commission or performance bonus payable to the Managing Director or the Whole-time Director as per terms of appointment and based on the performance of the individual as well as the Company.

Criteria of making payments to Non-Executive Directors:

The Non-Executive Directors will be entitled to sitting fees for attending to the meetings of the Board and / or Committees of the Board. The sitting fees for attending meetings shall be fixed by the Board which shall be within the overall limit as specified in the Act as amended from time to time. Also, the Company will either pay or reimburse for all reasonable expenses incurred by the Non-Executive Directors in performing their duties at the office. If approved by the shareholders of the Company, Non-Executive Directors could also be entitled to receive the commission on profits of the Company.

Further, the Company has also devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors. The Independent Directors were evaluated on the criteria such as engagement, leadership, analysis, quality of decision making, interactions, integrity, corporate governance, responsibility towards stakeholders, contribution, attendance, inter-personal relationship, etc.

a. Executive Directors

The remuneration paid to the Managing Director and Whole-time Director for the year under review is given below:

(₹ in million)

Name	Salary (basic)	Performance Bonus / Commission	Company's Contribution to Funds	Perquisites and Allowances	Total	Total Contract Period	Notice period in months	Stock Options granted
Mr. Kamal Khushlani	12.00	16.08	-	4.20	32.28	March 08, 2022 to March 07, 2027	-	N.A.
Mrs. Poonam Khushlani	5.04	-	-	-	5.04	May 09, 2023 to May 08, 2028	-	N.A.

Notes:

1. All the above components of remuneration, except performance bonus / commission, are fixed in nature.
2. There is no specific provision for payment of severance fees and notice period.

b. Non-Executive Directors

The details of sitting fees to paid Non-Executive Directors are as under:

(₹ in million)

Name of Director	Category	Sitting Fees Paid for 2023-24
Mr. Manoj Nara	Non-executive	0.80
Mr. Amer Jaleel	Independent	0.87
Mr. Paresh Bambolkar	Independent	0.90
Mrs. Ramona Jogeshwar	Independent	0.55

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration for Non-Executive Directors as entitled under the Act, none of Independent Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management, which in their judgment would affect their independence.

Mrs. Poonam Khushlani is spouse of Mr. Kamal Khushlani. Except them, none of the Directors of the Company is inter-se related to each other.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

During the year under review, the Board of Directors has constituted the Stakeholders' Relationship Committee with effect from May 09, 2023.

The Stakeholders' Relationship Committee of the Company comprises of Mr. Manoj Nakra, Chairman of the Committee, Mr. Paresh Bambolkar and Mrs. Poonam Khushlani as the other Members of the Committee.

Mr. Sanjay Kumar Mutha, Company Secretary of the Company is the Compliance Officer of the Company.

During the year under review, one meeting of the Committee was held on March 30, 2024.

The attendance of the Members at the above meeting(s) is as under:

Name of Director	Designation	No. of Meeting(s)	
		Held	Attended
Mr. Manoj Nakra	Chairman	1	1
Mr. Paresh Bambolkar	Member	1	1
Mrs. Poonam Khushlani	Member	1	1

The Committee's composition is in line with the provisions of section 178(5) of the Act and regulation 20 of the SEBI Listing Regulations.

TERMS OF REFERENCE

During the year under review, the role of the Stakeholders Relationship Committee inter-alia included the following:

(1) To specifically look into various aspects of interests of shareholders, debentures holders and other security holders;

(2) Resolving the grievances of the security holders of the listed entity including complaints related to transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

(3) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(4) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(5) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(6) Reviewing of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;

(7) Reviewing of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and

(8) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

INVESTORS' GRIEVANCE REDRESSAL

During the year under review, investors' grievances received from the investors / applicants, mainly pertain to the Initial public offer made by the Company. All of which have been attended/resolved, during the year under review:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	1142	1142	0

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company's Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and immediate relatives of Designated Persons ("Code"), as adopted by the Company, inter-alia, prohibits dealing in the securities of the Company while in possession of unpublished price sensitive information in relation to the Company.

CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The Board has also laid down the Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information ('Fair Disclosure Code') in accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, with a view to regulate communication of unpublished price sensitive information for any purpose other than the legitimate purpose as defined under the said Fair Disclosure Code. The Fair Disclosure Code is posted on the Company's website at the weblink - https://www.credobrands.in/investors/corporate-governance/#acc_631

INDEPENDENT DIRECTORS' MEETING

During the year under review, a separate meeting of Independent Directors of the Company was held on March 30, 2024. The said meeting was attended by all the Independent Directors of the Company.

The Independent Directors at their meetings held on March 30, 2024 and May 23, 2024, based on the feedback received from the Directors, reviewed the performance evaluation of directors, the Board as a whole, the Chairman of the Company after taking into account the views of executive directors and non-executive directors of the Company and also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Company constituted under the provisions of section 135 of the Act, comprises of Mr. Kamal Khushlani as a Chairman, Mrs. Poonam Khushlani and Mrs. Ramona Jogeshwar as the other Members of the Committee. During the year under review, two meetings of the Committee were held on April 17, 2023 and March 15, 2024.

The Committee functions in accordance with the terms of reference as specified under the Act and as may be specified by the Board from time to time, which inter-alia includes:

(i) formulate the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended;

(ii) recommend the amount of expenditure to be incurred on the activities referred to in (i) above;

(iii) monitor the implementation of the Corporate Social Responsibility Policy from time to time, and make any revisions therein as and when decided by the Board;

(iv) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(v) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;

(vi) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(vii) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

(viii) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and

(ix) exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 or other applicable laws.

RISK MANAGEMENT COMMITTEE

During the year under review, the Board of Directors has constituted the Risk Management Committee with effect from May 09, 2023. The Risk Management Committee comprises of Mr. Kamal Khushlani, Chairman of the Committee, Mr. Amer Jaleel and Mr. Rasik Mittal, Chief Financial Officer, as other members of the Committee.

The Committee functions in accordance with the terms of reference as specified by the Board from time to time, which inter-alia includes:

1. To formulate a detailed risk management policy which shall include:
   - **(a)** A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   - **(b)** Measures for risk mitigation including systems and processes for internal control of identified risks.
   - **(c)** Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
8. To review and recommend potential risk involved in any new business plans and processes;
9. To review the Company's risk-reward performance to align with the Company's overall policy objectives;
10. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
11. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy;
12. Coordination of activities with other committee, in instances where there is any overlap with the activities of such committees as per the framework laid down by the Board of Directors;
13. Seeking information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary; and
14. To carry out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or the SEBI Listing Regulations or by any other regulatory authority."

During the year under review, two meetings of the Committees were held i.e. on March 11, 2024 and March 22, 2024.

The Audit Committee and Board of Directors periodically review the risk assessment and minimisation procedures and ensures that executive management controls risk through means of a properly defined framework.

The risk management framework adopted by the Company is discussed in detail in the Board report and Management Discussion and Analysis forming part of the Annual Report.

COMMITTEE OF DIRECTORS

The Committee of Directors comprises of Mr. Kamal Khushlani and Mrs. Poonam Khushlani. The Board has delegated powers to the Committee of Directors to carry out various activities for day-to-day operations of the Company and other specific activities as may be assigned by the Board of Directors from time to time. The Committee met as and when required to carry out various activities for day-to-day operations of the Company.

Senior management:

During the year under review, there was no changes in the senior management team, since the close of the previous financial year.

All Members of the Senior Management have confirmed to the Board that there is no material, financial and/or commercial transactions between them and the Company, which could have any potential conflict of interest with the Company at large.

GENERAL BODY MEETINGS

Annual General Meeting

The details of the last three Annual General Meetings (AGM) of the Company are as follows:

Year	Date and Time of AGM	Venue	Special Resolutions passed
2023	September 14, 2023 at 6:00 pm	Through video conferencing ("VC") / other audio-visual means ("OAVM").	• None
2022	December 07, 2022 at 5:30 pm	Through video conferencing ("VC") / other audio-visual means ("OAVM").	• None
2021	December 24, 2021 at 11:00 am	Through video conferencing ("VC") / other audio-visual means ("OAVM").	• None

Extraordinary General Meeting

The details of the Extraordinary General Meetings (EGM) of the Company held during the year under review, are as under:

Date and Time of EGM	Venue	Special Resolutions passed
April 18, 2023 at 6:00 pm	Through video conferencing ("VC") / other audio-visual means ("OAVM").	• Sub-division of equity shares of the Company and consequent amendment to Memorandum of Association of the Company • Conversion of the Company from a private limited company to a public limited company • Adoption of revised Articles of Association • Approval of related party transaction
July 04, 2023 at 6:00 pm	Through video conferencing ("VC") / other audio-visual means ("OAVM").	• Ratification of appointment and revision of remuneration payable to Mr. Kamal Khushlani (DIN: 00638929) as the Chairman and Managing Director • Appointment of Mrs. Poonam Khushlani (DIN: 01179171) as Whole-time Director of the Company and remuneration payable to her • Ratification of appointment of Mr. Amer Jaleel (DIN: 03194596) as an Independent Director • Appointment of Mr. Paresh Bambolkar (DIN:00260136) as an Independent Director • Appointment of Mrs. Ramona Jogeshwar (DIN: 10100012) as an Independent Director • Appointment of Mr. Manoj Nakra (DIN:08566768) as a Non-executive Director • Approval of Related Party Transaction with Smartglobal Solutions and Services • Approval for amendment to the Credo Stock Option Plan 2020 for the employees of the Company • Adoption of New set of Articles of Association

Postal Ballot

During the year under review, no business was carried out through postal ballot.

Means of Communication

The Company regularly submits quarterly / half yearly / annual Financial Results to the Stock Exchanges, as soon as these are approved by the Board. The Financial Results are published in leading English and Marathi dailies, viz. "Business Standard" (English) and "Mumbai Lakshdeep" (Marathi).

The Company's Annual Report, Financial Results, Shareholding Pattern and official news releases are displayed on the Company's website www.credobrands.in and also submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for disseminating on their website. The Company's presentations to institutional investors and analysts are posted on the Company's website www.credobrands.in

All filing, disclosures and communications to Stock Exchanges are made electronically through their specific web portals to disseminate such information and make such information generally available.

GENERAL SHAREHOLDERS INFORMATION

Date, Time and Venue of the Twenty Fifth Annual General Meeting:

Date: Friday, August 30, 2024

Time: 12:30 pm.

Venue: Meeting is being conducted through VC/OAVM.

Financial Year

The financial year covers the period from April 01 of every year to March 31 of the next year.

Dividend Payment Date

The Board of Directors of the Company has recommended a dividend of ₹0.50 (25%) per Equity Share of ₹2.00 each of the Company. The proposed dividend, if declared, at the forthcoming Annual General Meeting, will be paid/ credited within a period of 30 days from the date of declaration, to those Members whose names appear in the Company's Register of Members or in the list of beneficial owners as per the particulars to be furnished by the Depositories as on the record date, as may be fixed by the Company.

Listing on Stock Exchanges

Equity Shares

The Equity Shares of the Company are listed on the following Stock Exchanges:

- BSE Limited (BSE)

  Phiroze Jee Jee Bhoy Towers, Dalal Street, Mumbai - 400 001.
- National Stock Exchange of India Limited (NSE)

  Exchange Plaza, C - 1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

Listing Fees

Listing Fees, as prescribed, has been paid to both the Stock Exchanges where the securities of the Company are listed.

Securities Code

Security	ISIN	Stock Code	
		BSE	NSE
Equity	INE220Q01020	544058	MUFTI

Credit ratings

During the year under review, CARE Ratings Limited ("CARE") have reaffirmed their ratings assigned to the Company's Long term Bank facilities and Short term Bank facilities. The Rating assigned to the Company's bank facilities as on March 31, 2024 are as under:

Sl. No.	Type / Facility	Rating
1.	Long Term Bank Facilities	CARE A+; Stable (Single A Plus; Outlook: Stable)
2.	Short Term Bank Facilities	CARE A+; Stable / CARE A1+ (Single A Plus; Outlook: Stable / A One Plus)

Corporate Identification Number (CIN)

The Company's CIN as allotted by the Ministry of Corporate Affairs is L18101MH1999PLC119669.

Stock Performance

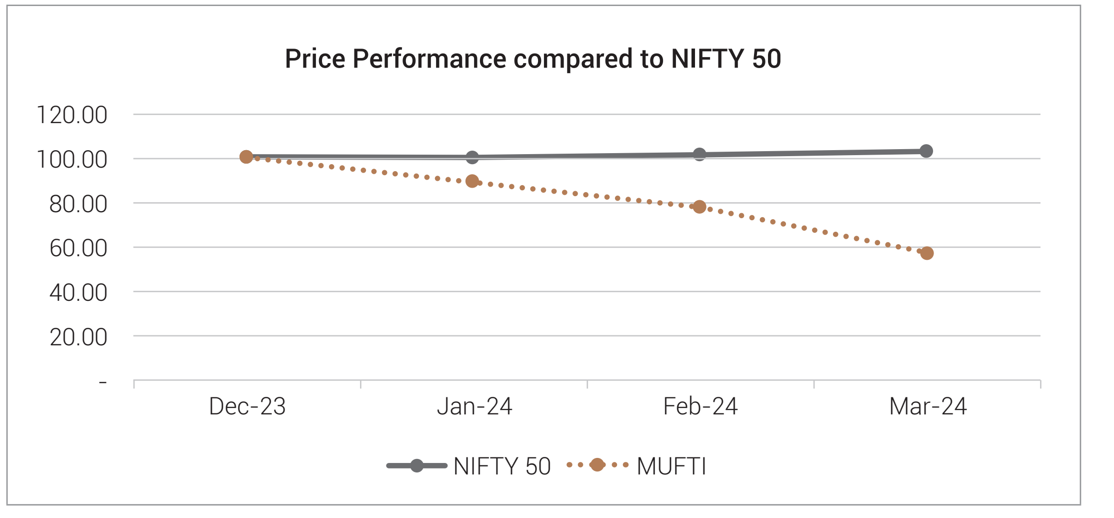
The performance of the Equity Shares of the Company at the Stock Exchanges during the year under review is as follows:

Months	BSE			NSE		
	High Price (in ₹)	Low Price (in ₹)	Volume (No.)	High Price (in ₹)	Low Price (in ₹)	Volume (No.)
Dec-23*	324.55	262.05	2,524,870	324.80	261.60	37,378,635
Jan-24	293.30	250.75	2,349,918	293.45	250.00	14,698,958
Feb-24	278.20	222.75	827,161	278.40	222.80	6,248,255
Mar-24	235.85	165.80	1,212,208	236.10	165.40	11,216,481

[Source: This information is compiled from the data available on the websites of BSE and NSE]

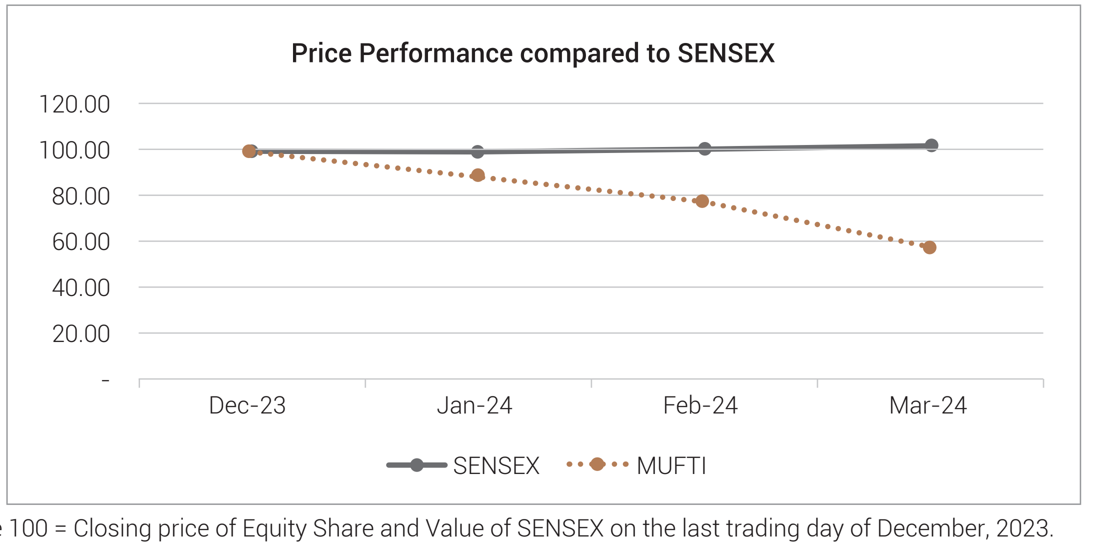
* The equity shares of the Company were listed on BSE and NSE with effect from December 27, 2023.

Price Performance compared to NIFTY 50



Note: Base 100 = Closing price of Equity Share and Value of Nifty 50 on the last trading day of December, 2023.

Price Performance compared to SENSEX



Note: Base 100 = Closing price of Equity Share and Value of SENSEX on the last trading day of December, 2023.

Share Transfer System

In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialised form, except in case of transmission or transposition of securities. Transfers of equity shares in dematerialised form are effected through the depositories with no involvement of the Company. In case of other matters relating to Shares, the Stakeholders' Relationship Committee meet as and when required to consider and attend Investors' grievances and any request for transmission of shares, split, consolidation, issue of duplicate share certificate, dematerialisation and rematerialisation of shares, etc.

De-materialisation of Shares

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their Shares with either of the Depositories. Entire shareholding of Promoters and Promoter Group is in dematerialised form.

Status of Dematerialisation of Equity Shares as on March 31, 2024 is as under:

Particulars	No. of Shares	% of total Shares
NSDL	55,652,913	86.31
CDSL	8,828,307	13.69
Total	**64,481,220**	**100.00**

Distribution of Shareholding as on March 31, 2024

No. of Shares	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shares
1-500	78,852	95.78	5,384,032	8.35
501-1000	2,312	2.81	1,741,685	2.70
1001-2000	636	0.77	951,518	1.48
2001-3000	186	0.23	475,096	0.74
3001-4000	87	0.10	308,645	0.48
4001-5000	68	0.08	321,852	0.49
5001-10000	83	0.10	623,845	0.97
10000 and above	105	0.13	54,674,547	84.79
Total	**82,329**	**100.00**	**64,481,220**	**100.00**

Shareholding Pattern as on March 31, 2024

Category	No. of Shares	% of total Shares
Promoters and Promoter Group	35,621,800	55.24
Mutual Funds	2,691,966	4.18
Banks, Financial Institutions	-	-
Venture Capital Funds	-	-
Alternate Investment Funds	413,577	0.64
Insurance Companies	2,344,592	3.64
Foreign Portfolio Investors	1,752,020	2.72
Foreign Company	2,678,571	4.15
Non-Resident Indians	137,652	0.21
Bodies Corporate	6,345,476	9.84
Indian Public (Individual)	11,953,021	18.54
Directors and their Relatives	-	-
Clearing Members	193	0.00
Trust	-	-
Hindu Undivided Family	542,352	0.84
Total	**64,481,220**	**100.00**

Outstanding Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments, conversion date and likely impact on equity.

The Company has not issued any Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments during the year under review. There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2024.

Trading of security

The Company's equity shares have been listed and traded on BSE and NSE, effective from December 27, 2023. No securities of the Company were suspended from trading by any Stock Exchange, during the year under review.

Corporate Governance Report (Contd.)

Unclaimed Shares

There are no shares lying in the demat suspense account or unclaimed suspense account as on March 31, 2024, hence, no disclosure was required with respect to demat suspense account/ unclaimed suspense account, in accordance with the requirement of regulation 34(3) and Part F of Schedule V of the SEBI Listing Regulations.

Plant Locations

In view of the nature of the Company's business i.e. fashion retail, the Company operates through various stores in India.

Address for Correspondence Registrar and Transfer Agents

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,

Vikhroli (West), Mumbai – 400 083

Tel: +91 810 811 8484 | Fax: +91-22-6656 8494

Email id: csg-unit@linkintime.co.in

Website: www.linkintime.co.in

For securities held in demat form

The investors may write to the concerned Depository Participant(s) of the Investors or the Registrar and Transfer Agents of the Company.

Registered Office of the Company:

The Company Secretary

Credo Brands Marketing Limited

B 8, MIDC Central Road, Marol,

Next To MIDC Police Station,

Andheri (E), Mumbai - 400093

Tel: 91 22 61417200

Email: investorrelations@mufti.in

Website: www.credobrands.in

Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any exposure hedged through commodity derivatives and hence, the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be made.

The details of foreign currency exposure are disclosed in note no. 40.3.1.4 in the Notes forming part of the Financial Statements.

DISCLOSURES

Related Party Transactions

During the year under review, there were no materially significant transactions entered into with the related parties that may have potential conflict with the interests of the Company at large. All related party transactions were reviewed and approved by the Audit Committee and were entered into in the ordinary course of business and at arm's length basis. Disclosure of transactions with related parties (including entity belonging to the Promoter/Promoter Group which hold(s) 10% or more shareholding in the Company) as required under SEBI Listing Regulations and the applicable Accounting Standards have been given in the note no. 39 in the Notes forming part of the Financial Statements. Policy on dealing with related party transactions is available on the website of the Company at the link - https://www.credobrands.in/investors/corporate-governance/#acc_631

Disclosure of Accounting Treatment

During the year under review, the Company followed the Indian Accounting Standards as specified under section 133 of the Act, in the preparation of its financial statements.

Management

Management Discussion and Analysis (MDA) forms part of the Annual Report.

CEO/CFO Certification

The Managing Director and the Chief Financial Officer of the Company have furnished their Certificate to the Board of Directors of the Company, regarding financial statements and the cash flow statement for the financial year ended March 31, 2024 as required under regulation 17(8) of SEBI Listing Regulations.

Code of Conduct for Directors and Senior Management Personnel

All the Board Members and Senior Management Personnel have affirmed compliance with this Code. A declaration signed by the Managing Director to this effect is attached at the end of this Report. This Code is available on the Company's website at the link https://www.credobrands.in/investors/corporate-governance/#acc_631.

Subsidiary Company

The Company has one unlisted Indian subsidiary. The Company's policy for determining material subsidiaries of the Company is available on the website of the Company at the link https://www.credobrands.in/investors/corporate-governance/#acc_631

Details of non-compliance

During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets.

Vigil Mechanism and Whistle Blower Policy

The Company has Vigil Mechanism and Whistle Blower Policy for Stakeholders to raise genuine concerns of any violations of legal or regulatory requirements, actual or suspected fraud or violation of the Company's code of conduct. This Policy inter-alia provides to a Whistle Blower a direct access to the Chairman of the Audit Committee. It is affirmed that no personnel have been denied access to the Audit Committee.

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32 (7A) of the SEBI Listing Regulations

During the year under review, no funds have been raised through preferential allotment or qualified institutions placement as specified under regulation 32 (7A) of the SEBI Listing Regulations.

Certificate on Non-disqualification of Directors

The Company has received a certificate from M/s. M Siroya and Company, Company Secretaries, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Recommendations of the Committees of the Board

During the year under review, there was no such instances, where the Board has not accepted any recommendations of any Committee of the Board, which is mandatorily required.

Total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiary, on a consolidated basis, to the Statutory Auditors of the Company and all entities in the network firm/network entity of which the Statutory Auditors is a part, is given below:

Particulars	(₹ in million)
Audit fees (includes audit related services)	4.50
Other services	0.24
Total	**4.74**

Note: out of pocket expenses were reimbursed at actual.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year.
Nil	Nil	Nil

Directors and Officers Liability Insurance:

As per the provisions of the Act and in compliance with Regulation 25(10) of the SEBI Listing Regulations, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors and Officers of the Company for indemnifying any of them against any personal liability coming onto them whilst discharging fiduciary responsibilities in relation to the Company.

Compliance with Mandatory requirements

Your Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance.

Compliance with discretionary requirements

Shareholders' Rights: Quarterly, half yearly and annual financial results of the Company are furnished to the Stock Exchanges and are also published in the newspapers and uploaded on website of the Company. Significant events / Investor Presentations are also posted on the Company's website under the Investors section. Hence, no half-yearly declaration of financial performance including summary of the significant events in last six-months, were sent to each of household of Shareholders.

Modified opinion(s) in audit report: During the year under review, the Company has unmodified audit opinion on the Company's financial statements. The Company continues to adopt best practices and has ensured a track record of financial statements with unmodified audit opinion.

Reporting of Internal Auditor: Internal Auditors report to Audit Committee and present their Internal Audit Report and their observations at the meeting of the Audit Committee.

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Credo Brands Marketing Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Credo Brands Marketing Limited ('the Company') for the financial year ended March 31, 2024, as stipulated in regulation 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The above-referred provisions of the Listing Regulations became applicable on the Company upon the listing of its initial public offerings on December 27, 2023.

We have been requested by the management of the Company to provide a certificate on compliance of corporate governance under the relevant provisions of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations as amended from time to time.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For M Siroya and Company
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157
UDIN: F005682F000495512
PR No: 1075/2021

Date: May 30, 2024
Place: Mumbai

Declaration on Compliance of Code of Conduct

To,
The Members,
Credo Brands Marketing Limited

I hereby declare that the Directors and Senior Management of the Company have affirmed in writing, their compliances with the Company's Code of Conduct, for Directors and Senior Management during the year ended March 31, 2024.

For **Credo Brands Marketing Limited**

Mumbai
May 30, 2024

Kamal Khushlani
Chairman and Managing Director

Financial Statements

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Credo Brands Marketing Limited
(formerly known as Credo Brands Marketing Private Limited)

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of **Credo Brands Marketing Limited** (formerly known as Credo Brands Marketing Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Provision for Sales Return** (Refer Note 4.6) The Company sells its products through various channels like distributors, exclusive brand outlets (EBO), e-business etc. As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration the sales returns. The estimate of sales returns depends on contract terms, sales volumes and past history of quantum of returns. In accordance with Ind AS 115, Revenue from contracts with customers, to account for the transfer of products with a right of return, records the revenue for the transferred products and reverses revenue for the products expected to be returned, record a refund liability and an asset, with corresponding adjustment to cost of sales, for its right to recover products from customers on settling the refund liability.	Principal audit procedures performed included the following: • Assessed the appropriateness of the accounting policy followed by the Company in respect of the accounting for such provision for sales return by comparing the same with the requirements as per Ind AS 115, Revenue from contracts with customers. • Understood the process followed by the Company for estimation of such provision for sales return and the corresponding right to return assets and performed a walkthrough. • Evaluated the design and tested the operating effectiveness of Company's controls to assess the adequacy of provision for sales returns and the corresponding right to return assets. • Evaluated and verified the contract terms for a sample of customer contracts to assess the appropriateness of the provision for sales returns as well as the right to return assets and determine whether the same is in line with terms of the contract.

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
	The estimate of the expected sale returns involves significant judgment and analysis and the valuation and cut off related to accounting for such obligation and right to return assets is therefore considered a key audit matter.	• Evaluated and verified the season-wise sales trend and historic data for sales return to determine the appropriateness of the provision created by the Management. • Evaluated and verified the management estimates and judgements in determining the provision for sales returns and assessed whether the same is consistent with the previous periods and the actual results related to such past estimation. • Recalculated the expected Sales Return provision to assess if the expectation set by the Management is in line with the past trends and calculated accurately. • Tested the valuation of the right to return assets on a sample basis. • Evaluated and verified the appropriateness of the presentation and adequacy of the disclosures made in the standalone financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Director's report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for not complying with the requirement of audit trail as stated in (i)(vi) below.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 42(g) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities.
         b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 42(h) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities.
         c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
      v. As stated in note 43(b) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.
      vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility wherein:
         a) in respect of one software the audit trail was not enabled during the period April 01, 2023 to October 01, 2023 and audit trail was not enabled at the database level to log direct data changes throughout the year, and
         b) in respect of other software for maintenance of records of loyalty points on sales, the audit trail was not enabled.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jayesh Parmar
Partner
(Membership No. 106388)
(UDIN: 24106388BKCTWB8058)

Place: Mumbai
Date: May 30, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to standalone financial statements of Credo Brands Marketing Limited (formerly known as Credo Brands Marketing Private Limited) ("the Company") as at March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on "the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm’s Registration No.117366W/W-100018)

Jayesh Parmar
Partner
(Membership No.106388)
(UDIN: 24106388BKCTWB8058)

Place: Mumbai
Date: May 30, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that;

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work in progress, investment properties and relevant details of right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of the Property, Plant and Equipment, capital work in progress, investment properties and right of use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, capital work in progress, investment properties and right of use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered agreement for sale provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements included in investment property are held in the name of the Company as at the balance sheet date. Immovable properties of investment property whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from the lenders.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for (goods-in-transit and stocks held with third party), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third party at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate, at points of time during the year from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the monthly statements comprising (stock statements, book debt statements and other stipulated financial information) filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective months and no material discrepancies have been observed.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

(iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company’s business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees’ State

Annexure "B" (Contd.)

Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year. We have been informed that the provisions of the Sales Tax, Service Tax, duty of Excise and Value added tax are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable except for:

Name of Statute	Nature of Dues	Period for which the amount relates	Amount (Rs. in million)	Due Date	Date of Payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	FY 2018-19 to FY 2019-20 and FY 2021-22	0.08	Various Dates	Not Paid
Labour Welfare fund Act (Various States)	Employee Dues	FY 2014- 15 to FY 2020-21	3.17	Various Dates	Not paid
Professional Tax Act (Various States)	Professional Tax	FY 2022-23 and FY 2023-24	0.03	Various Dates	Not paid

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (Rs. in million)	Period to which the Amount Relates	Forum where Dispute is Pending
Income Tax Act, 1961	Income Tax	1.18	FY 2010-11	The Commissioner of Income-tax (Appeals)
		2.82	FY 2015-16	National Faceless Appeal Centre
Goods and Services Tax Act 2017	Goods and Services Tax	2.64	FY 2017-18	Additional Commissioner of GST
		0.61	FY 2018-19	Pending for filling Appeal to Additional Commissioner of GST

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loan availed by the Company was, applied by the Company during the year for the purpose for which the loan was obtained.

(d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

Annexure "B" (Contd.)

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 177 and Section 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2024.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jayesh Parmar
Partner
(Membership No.106388)
(UDIN: 24106388BKCTWB8058)

Place: Mumbai
Date: May 30, 2024

STANDALONE BALANCE SHEET

As at March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5(a)	772.34	615.84
(b) Right of use assets	5(b)	2,014.98	1,731.27
(c) Capital work-in-progress	5(c)	8.34	2.08
(d) Investment Property	6	16.28	16.66
(e) Other Intangible assets	7	2.25	3.76
(f) Financial assets			
(i) Investments	8	-	-
(ii) Other financial assets	9	157.68	126.83
(g) Deferred tax assets (net)	10	266.68	202.52
(h) Non-current tax assets	11	5.49	15.02
(i) Other non-current assets	12	188.29	154.85
Total non-current assets		**3,432.33**	**2,868.83**
2 Current assets			
(a) Inventories	13	1,249.39	1,134.03
(b) Financial assets			
(i) Trade receivables	14	2,122.15	1,372.82
(ii) Cash and cash equivalents	15	16.48	81.20
(iii) Bank Balance other than (ii) above	15	8.29	7.72
(iv) Other financial assets	9	86.26	80.31
(c) Other current assets	12	183.82	199.93
Total current assets		**3,666.39**	**2,876.01**
Total assets		**7,098.72**	**5,744.84**
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	16	128.96	32.15
(b) Other equity	17	3,287.44	2,781.43
Total equity		3,416.40	2,813.58
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	48.46	67.55
(ii) Lease liabilities	5(b)	1,814.16	1,512.41
(iii) Other financial liabilities	19	398.98	355.36
(b) Provisions	20	40.19	38.16
Total non-current liabilities		**2,301.79**	**1,973.48**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	326.89	33.24
(ii) Lease Liabilities	5(b)	342.28	305.94
(iii) Trade payables	22		
Total outstanding dues of micro enterprises and small enterprises		94.09	118.26
Total outstanding dues of creditors other than micro enterprises and small enterprises		201.49	306.40
(iv) Other financial liabilities	19	23.72	23.30
(b) Provisions	20	48.72	25.83
(c) Current tax liabilities (net)	23	5.43	-
(d) Other current liabilities	21	337.91	144.81
Total current liabilities		**1,380.53**	**957.78**
Total liabilities		**3,682.32**	**2,931.26**
Total equity and liabilities		**7,098.72**	**5,744.84**

The accompanying notes form an integral part of the Standalone Financial Statement — 1-45

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Jayesh Parmar
(Partner)
(Membership No. 106388)

Place: Mumbai
Date: May 30, 2024

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(Membership No. A15884)

Place: Mumbai
Date: May 30, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
1 Revenue from operations	24	5,673.32	4,981.82
2 Other income	25	46.12	131.40
3 Total income (1+2)		**5,719.44**	**5,113.22**
4 Expenses			
(a) Cost of materials consumed	26	167.56	278.47
(b) Purchases of stock-in-trade	26	2,363.57	2,308.79
(c) Changes in inventories of finished goods and stock-in-trade	27	(118.40)	(467.85)
(d) Employee benefits expense	28	315.19	267.36
(e) Finance costs	29	240.57	177.36
(f) Depreciation and amortisation expense	30	622.25	534.30
(g) Other expenses	31	1,340.11	977.28
Total expenses		**4,930.85**	**4,075.71**
5 Profit before tax (3-4)		**788.59**	**1,037.51**
6 Tax expense			
Current tax	32	265.87	309.05
Short/(Excess) provision of income tax in relation to earlier years		(4.88)	(1.42)
Deferred Tax charge/(credit)	10	(64.02)	(44.65)
Total tax expense		**196.97**	**262.98**
7 Profit for the year (5-6)		**591.62**	**774.53**
8 Other comprehensive income			
A Items that will not be reclassified to profit or loss			
Re-measurement gain/(loss) on defined benefit liability		(0.55)	0.13
Tax related to above item		0.14	(0.03)
Total other comprehensive income for the year (net of tax)		**(0.41)**	**0.10**
9 Total comprehensive income for the year (7+8)		**591.21**	**774.63**
Earnings per share face value of ₹2 each fully paid up			
Basic earnings per share (in ₹)	35	9.20	12.05
Diluted earnings per share (in ₹)	35	9.19	12.05

The accompanying notes form an integral part of the Standalone Financial Statement — 1-45

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Jayesh Parmar
(Partner)
(Membership No. 106388)

Place: Mumbai
Date: May 30, 2024

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(Membership No. A15884)

Place: Mumbai
Date: May 30, 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY

As at March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(A) Equity share capital

	No. of shares	Amount
Balance as at April 01, 2022	**3,192,037**	**31.92**
Changes in equity share capital:		
Issue of Shares	23,057	0.23
Balance as at March 31, 2023	**3,215,094**	**32.15**
Changes in equity share capital:		
Issue of Shares	179,340	0.36
Issue of Bonus shares	9,645,282	96.45
Split of shares	51,441,504	-
Balance as at March 31, 2024	**64,481,220**	**128.96**

(B) Other equity

Particulars	Reserve and surplus			
	Securities premium	Retained earnings	Share option outstanding account	Total
Balance as at April 01, 2022	**147.85**	**2,160.15**	**18.02**	**2,326.02**
Recognition of share based payments	-	-	2.29	2.29
Transfer in respect to share option exercised during the year	11.29	-	(11.29)	-
Payment of dividends (Refer note 43(a))	-	(321.51)	-	(321.51)
Profit for the year	-	774.53	-	774.53
Re-measurement of defined benefit plan (net of tax)	-	0.10	-	0.10
Balance as at March 31, 2023	**159.14**	**2,613.27**	**9.02**	**2,781.43**
Recognition of share based payments	-	-	5.99	5.99
Additions during the year	5.26	-	-	5.26
Transfer in respect to share option exercised during the year	0.75	-	(0.75)	-
Profit for the year	-	591.62	-	591.62
Utilisation on issue of Bonus Shares	(96.45)	-	-	(96.45)
Re-measurement of defined benefit plan (net of tax)	-	(0.41)	-	(0.41)
Balance as at March 31, 2024	**68.70**	**3,204.48**	**14.26**	**3,287.44**
The accompanying notes form an integral part of the Standalone Financial Statement	1-45			

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Jayesh Parmar
(Partner)
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Place: Mumbai
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For and on behalf of the Board of Directors
Credo Brands Marketing Limited
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(Membership No. A15884)

Place: Mumbai
Date: May 30, 2024

STANDALONE STATEMENT OF CASH FLOWS

For the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A.	Cash flows from operating activities		
	Profit before tax	788.59	1,037.51
	Adjustments for :		
	Depreciation and amortisation expenses	622.25	534.30
	Interest income on financial assets	(13.81)	(22.50)
	Rental income on investment property	(4.46)	(4.25)
	Finance cost	212.95	146.09
	Loss on property, plant and equipment sold / scrapped / written off	5.82	4.05
	Allowance for expected credit loss and doubtful deposits	8.10	10.84
	Gain on termination of leases (Net)	(5.39)	-
	Impairment on Investment in Subsidiary	-	21.40
	Share based payments to employees	5.99	2.29
	Bad debts written off	0.37	0.23
	Security deposits written off	-	4.88
	Sundry balances written back	-	(3.00)
	Excess Provision written back	-	(49.25)
	Covid-19 related rent concessions	-	(3.58)
	Operating cash flows before working capital changes	**1,620.41**	**1,679.01**
	Working capital adjustments :		
	Adjustment for (Increase) / Decrease in Operating Assets:		
	(Increase) / Decrease in inventories	(115.36)	(476.65)
	(Increase) / Decrease in trade receivables	(757.06)	(97.34)
	(Increase) / Decrease in other financial assets	(24.33)	(14.31)
	(Increase) / Decrease in other current assets	16.11	(124.13)
	(Increase) / Decrease in non-current assets	(37.62)	(40.30)
	Adjustment for Increase / (Decrease) in Operating Liabilities:		
	Increase / (Decrease) in trade payables	(129.09)	58.93
	Increase / (Decrease) in other current liabilities	201.24	31.63
	Increase / (Decrease) in other financial liabilities	10.03	23.68
	Increase / (Decrease) in provisions	24.36	12.75
	Cash generated from operations	**808.69**	**1,053.27**
	Less: Income tax paid (net)	(246.07)	(308.04)
	Net cash generated from operating activities (A)	**562.62**	**745.23**
B.	Cash flows from investing activities		
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(359.28)	(341.47)
	Purchase of other intangible assets	-	(3.06)
	Proceeds from Sale of property, plant and equipment and other intangible assets	5.13	0.53
	Investment made in Subsidiary	-	(21.30)
	In demand deposit accounts - Having maturity more than 3 months - matured	4.11	139.74
	Interest income on financial assets	0.03	9.17
	Rental income on investment property	4.46	4.25
	Net cash used in investing activities (B)	**(345.55)**	**(212.14)**
C.	Cash flows from financing activities		
	Proceeds from Long term borrowings	18.25	-
	Repayment of Long term borrowings	(34.20)	(33.25)
	Proceeds from / (Repayment of) Short term borrowings (net)	290.51	-
	Repayment of Short term borrowings	-	-
	Proceeds from issue of shares under employee stock options scheme	5.62	0.23
	Repayment of lease liabilities	(511.32)	(432.62)
	Interest paid	(46.54)	(30.84)
	Dividend paid	-	(321.50)
	Net cash used in financing activities (C)	**(277.68)**	**(817.98)**
	Net decrease in cash and cash equivalents (A)+(B)+(C)	**(60.61)**	**(284.89)**
	Cash and cash equivalent at the beginning of the year	**77.09**	**361.98**
	Cash and cash equivalents at the end of the year	**16.48**	**77.09**
	Cash and cash equivalents as above comprises of the following		
	Cash in hand	7.75	4.61
	Balances with bank - in current accounts	8.73	72.48
	Total cash and cash equivalents (Refer note 15)	**16.48**	**77.09**

STANDALONE STATEMENT OF CASH FLOWS

For the year ended March 31, 2024 (Contd.)

(All amounts in ₹ million, unless otherwise stated)

Notes:

Reconciliation of liabilities from financing activities for the year ended March 31, 2024

Particulars	Opening Balance	Additions of Lease Liabilities	Proceeds	Repayment	Closing Balance
Borrowings	100.79	-	308.76	(34.20)	375.35
Lease liabilities	1,818.35	849.41	-	(511.32)	2,156.44
Total liabilities from financing activities	1,919.14	849.41	308.76	(545.52)	2,531.79

Reconciliation of liabilities from financing activities for the year ended March 31, 2023

Particulars	Opening Balance	Additions of Lease Liabilities	Proceeds	Repayment	Closing Balance
Borrowings	134.04	-	-	(33.25)	100.79
Lease liabilities	1,407.84	843.13	-	(432.62)	1,818.35
Total liabilities from financing activities	1,541.88	843.13	-	(465.87)	1,919.14

The accompanying notes form an integral part of the Standalone Financial Statement

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Jayesh Parmar
(Partner)
(Membership No. 106388)

Place: Mumbai
Date: May 30, 2024

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
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Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(Membership No. A15884)

Place: Mumbai
Date: May 30, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

1 GENERAL INFORMATION

CREDO BRANDS MARKETING LIMITED (Formerly known as CREDO BRANDS MARKETING PRIVATE LIMITED) 'the Company' is a public limited company domiciled and incorporated in India under the Companies Act, 2013 vide CIN: L18101MH1999PTC119669 and incorporated on April 29, 1999. The Company is a public limited company w.e.f. May 11, 2023 with new CIN: L18101MH1999PLC119669. The registered office of the Company is located at B-8, MIDC Central Road, Marol, Next to MIDC Police Station, Andheri (E), Mumbai - 400093.

The Company is mainly engaged in the business of selling of fashion casual garments and accessories under the brand name MUFTI. A fresh certificate of incorporation consequent to the conversion of Private to Public Company was issued by the Registrar of Companies Mumbai on May 11, 2023 under section 18 of the Companies Act, 2013 to give effect of conversion.

The Company has completed its Initial Public Offer ("IPO") of 19,634,960 equity shares of face value of ₹ 2 each at an Issue price of ₹ 280/- per share (Including share premium of ₹ 278/- per share), comprising offer for sale of 19,634,960 equity shares by Selling Shareholders aggregating to ₹5,497.79 million. Pursuant to the IPO, the equity shares of the Company were listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") effective December 27, 2023.

The financial statements for the year ended March 31, 2024 were approved for issue by Company's Board of Directors on May 30, 2024.

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation, Presentation and Measurement

The Standalone Financial Statements of the Company comprises the Standalone Balance Sheet as at March 31, 2024, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended and a summary of material accounting policies and other explanatory information (together referred to as the "Standalone Financial Statements").

The Standalone Financial Statements of the Company are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

The Standalone Financial Statements of the Company have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/ settlement within a twelve month period from the balance sheet date.

The Standalone Financial Statements are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off to the nearest million, unless otherwise stated.

2.2 Functional and Presentation Currency

The Standalone Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Standalone Financial Statements are presented in Indian rupee (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest million, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than ₹ 5,000 have been rounded and are presented as ₹ 0.00 million in the Standalone Financial Statements.

2.3 Current and non-current classification

The Company presents assets and liabilities in the Standalone Balance Sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of service and the

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

time between rendering of services and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current / non-current classification of assets and liabilities.

2.4 Property, Plant & Equipment

Property plant and equipment are stated at their cost of acquisition, less accumulated depreciation/ amortisation and impairment loss. Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling / decommissioning of the asset. Parts (major components) of an item of Property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date. Advances paid towards the acquisition of PPE outstanding at each reporting date is classified as Capital Advances under "Other Non-Current Assets" and assets which are not ready for intended use as on the reporting date are disclosed as "Capital Work in Progress".

2.4.1 Depreciation method, estimated useful lives and residual value

Depreciation on the property, plant and equipment (other than capital work in progress) is provided on a straight line method over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013. The estimated useful lives are as under:

Plant and machinery	15 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Leasehold improvements are amortised on a straight line basis over lease term or 5 years whichever is less.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

2.4.2 Derecognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Profit or Loss when the asset is de-recognised.

2.5 Intangible assets

2.5.1 Recognition and measurement

Intangible assets that are acquired by the Company are stated at cost of acquisition less amortisation and impairment losses, if any. Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use. Intangible assets are recognised only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the reporting period.

2.5.2 Amortisation and useful lives

Intangible assets with finite lives comprise of trademarks/ brand and software, are amortised over the period of 5 years and 3 years respectively on straight-line basis. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.

2.5.3 Derecognition policy

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

2.6 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.7 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

Depreciation is recognised so as to write-off the cost less residual value over the estimated useful life of 60 years, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn form use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss in the period in which the property is derecognised.

2.8 Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. The determination of whether a contract is (or contains) a lease is based on the substance of the contract at the inception of the lease. The contract is, or contains, a lease if the contract provide lessee, the right to control the use of an identified asset for a period of time in exchange for consideration. A lessee does not have the right to use an identified asset if, at inception of the contract, a lessor has a substantive right to substitute the asset throughout the period of use.

The Company accounts for the lease arrangement as follows:

(i) Where the Company is the lessee

Right of Use Asset

The Company applies single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. On the commencement of the lease, the Company, in its Standalone Balance Sheet, recognised the right of use asset at cost and lease liability at present value of the lease payments to be made over the lease term.

Subsequently, the right of use asset is measured at cost less accumulated depreciation [calculated on straight line method] and any accumulated impairment loss. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

Asset category	Lease Term
Lease hold premises	3 to 9 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.6 on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The lease payment made, are apportioned between the finance charge and the reduction of lease liability, and are recognised as expense in the Consolidated Statements of profit and loss.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Lease deposits given are a financial asset and are measured at amortised cost under Ind AS 109 since it satisfies Solely Payment of Principal and Interest (SPPI) condition. The difference between the present value and the nominal value of deposit is considered as Right of Use Asset and depreciated over the lease term. Unwinding of discount is treated as finance income and recognised in the Consolidated Statements of profit and loss.

(ii) Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Lease deposits received are financial instruments (financial liability) and are measured at fair value on initial recognition. The difference between the fair value and the nominal value of deposits is considered as rent in advance and recognised over the lease term on a straight line basis. Unwinding of discount is treated as interest expense (finance cost) for deposits received and is accrued as per the EIR method.

2.9 Inventories

Inventories of raw material, finished good and stock-in-trade are valued at the lower of cost (on First-in-First out basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including and other levies, transit insurance and receiving charges. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

2.12 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Financial assets

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.13.1 Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit or Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through Other Comprehensive Income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

2.13.2 Subsequent Measurement

Financial assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVOCI. All equity investments are measured at fair value through other comprehensive income, except for investments in subsidiary/associate which is measured at cost. Changes in the fair value of financial assets are recognised in Statement of Other Comprehensive Income. In those cases, there is no subsequent reclassification of fair value gains and losses to Statement of profit and loss.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on such financial assets that are subsequently measured at FVTPL and is recognised and presented net in the Statement of profit and loss within other income in the period in which it arises.

2.13.3 Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

(b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For other financial assets carried at amortised cost the Company assesses, on a forward looking basis, the expected credit losses associated with such assets and recognises the same in profit or loss.

2.13.4 Derecognition of financial assets

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire or it transfers substantially all risk and rewards of ownership of the financial asset. A gain or loss on such financial assets that are subsequently measured at amortised cost is recognised in the Statement of Profit or Loss when the asset is derecognised.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(All amounts in ₹ million, unless otherwise stated)

2.14 Financial liabilities and equity instruments

2.14.1 Classification of debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

2.15 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL (fair value through profit or loss).

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and Commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.15.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables). All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2.15.2 Subsequent Measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to interest-bearing loans and borrowings.

2.15.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.15.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.16 Cash and cash equivalents

Cash and cash equivalents includes cash and cheques on hand, current accounts and fixed deposits accounts with banks with original maturities of three months or less that are readily convertible to known amounts of cash (other than on lien) and which are subject to an insignificant risk of changes in value and book overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.16.1 Statements of cash flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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Statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 – Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the Standalone Financial Statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy. Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.18 Revenue recognition

The Company's revenue majorly represents revenue from sale of garments. The Company sells garments through own stores and through business partners such as distributors, franchisees, large format stores and E-Commerce.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

2.18.1 Sale of goods

The Company derives revenue from sale of goods and revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods. To recognise revenues, the Company applies the following five step approach:

(1) identify the contract with a customer,

(2) identify the performance obligations in the contract,

(3) determine the transaction price,

(4) allocate the transaction price to the performance obligations in the contract, and

(5) recognise revenues when a performance obligation is satisfied.

The Company has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Company has concluded that certain arrangements with its business partner, where the Company has an unconditional obligation relating to unsold inventory, are on principal to agent basis and for other cases the Company has concluded that its arrangements with business partners are on principal to principal.

The transfer of control of promised goods as above, generally coincides with the delivery of goods to customers.

- For business partner acting as principal, revenue is recognised upon sale to business partner.
- For business partner acting as agent, revenue is recognised once goods are sold by business partner to end customers.

Sales are recognised, net of returns and trade discounts, rebates, and Goods and Services Tax (GST).

Under the Company's standard contract terms, customers have a right of return goods as per Company's policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Company has a right to recover the product when customers exercise their right of return; consequently, the Company recognises a right-to-returned-goods asset and a corresponding adjustment to cost of sales. The Company uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

The Company operates a loyalty programme through which retail customers accumulate points on purchases of apparels that entitle them to discounts on future purchases. These points provide a discount to customers that they would not receive without purchasing the apparels (i.e. it is a material right). The promise to provide the discount to the customer is therefore a separate performance obligation. The transaction price is allocated between the sale of apparels and the rights related to the loyalty points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the discount to be given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the Company's historical experience. A contract liability is recognised for revenue relating to the loyalty points at the time of the initial sales transaction. Revenue from the loyalty points is recognised when the points are redeemed by the customer. Revenue for points that are not expected to be redeemed is recognised in proportion to the pattern of rights exercised by customers.

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2.18.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.18.3 Other income

Other incomes are accounted on accrual basis and except interest on delayed payment by debtors which are accounted on acceptance of the Company's claim.

2.19 Foreign currency Transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss and reported within foreign exchange gains / (losses).

2.20 Employee benefits

Company's Employee benefit obligations include Short-term obligations and Post-employment obligations which includes gratuity plan and contributions to provident fund.

2.20.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service which are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2.20.2 Compensated absences

Compensated absences in form of earned leave are expected to be utilised wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the undiscounted value at the end of the reporting period.

2.20.3 Post-employment obligations

Defined benefit plans

The Company has defined benefit plan namely gratuity, which is unfunded. The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The defined contribution plan is a post-employment benefit plan under which the Company contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund, Employee State Insurance Scheme and Employee Pension Scheme. The Company's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

2.21 Share-based payment to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note No. 37.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

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2.22 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

2.22.1 Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates applicable for the respective period.

2.22.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Standalone Financial Statements and their tax bases. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.22.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.24 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Company as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3 RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company:

4 USE OF ESTIMATES AND CRITICAL ACCOUNTING JUDGEMENTS

The preparation of Financial Information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities,

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income and expenses. Actual results may differ from these estimates. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Information are disclosed below.

4.1 Property, plant and equipment and Intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology etc.

4.2 Leases

The Company determines the lease term in accordance with Ind AS 116 which requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations.

4.3 Inventories

The Company considers year and seasonality to which inventory pertains for determining net realisable value for old inventories. Such old inventories are further marked down to its estimated realisable value based on amount which the Company has been able to realise on sale of old inventory around the period end. the management applies judgement in determining the appropriate provisions for slow moving and/ or obsolete stock, based on the analysis of old season inventories, past experience, current trend and future expectations for these inventories, depending upon the category of goods.

4.4 Employee benefits

The cost of the defined benefit plan is determined using actuarial valuations using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of discount rates, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its nature, a defined benefit is highly sensitive to change in these assumptions. All assumptions are reviewed at each reporting period.

4.5 Share-based payments to employees

The fair value of share-based payments to employees determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The fair value of stock options at the grant date are determined by an independent valuer using assumptions and method determined by the Company.

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

4.6 Provision for sales return

The Company provides for sales return based on season wise trend of previous years. The Company reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

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5(A) PROPERTY, PLANT AND EQUIPMENT

	Particulars	Office Equipment	Computers	Leasehold Improvement	Furniture & Fixtures	Vehicles	Plant & Equipment	Total
I.	**Gross Carrying Value**							
	Balance as on April 01, 2022	49.39	10.47	299.16	139.23	14.43	10.47	**523.15**
	Additions	46.28	10.02	166.37	121.07	14.72	4.82	**363.28**
	Disposals / adjustments	(1.22)	(0.01)	(8.19)	(0.02)	-	(0.07)	**(9.51)**
	Balance as on March 31, 2023	94.45	20.48	457.34	260.28	29.15	15.22	**876.92**
	Additions	51.00	6.81	171.54	97.45	21.51	0.50	**348.81**
	Disposals / adjustments	(7.31)	(1.85)	(70.05)	(1.57)	(9.10)	(0.20)	**(90.08)**
	Balance as on March 31, 2024	**138.14**	**25.44**	**558.83**	**356.16**	**41.56**	**15.52**	**1,135.65**
II.	**Accumulated Depreciation**							
	Balance as on April 01, 2022	13.04	6.37	61.31	35.14	3.05	0.93	**119.84**
	Depreciation expense	16.96	3.60	83.96	35.91	4.60	1.13	**146.16**
	Disposals / adjustments	(0.75)	(0.01)	(4.14)	(0.01)	-	(0.01)	**(4.92)**
	Balance as on March 31, 2023	29.25	9.96	141.13	71.04	7.65	2.05	**261.08**
	Depreciation expense	25.67	5.66	99.47	44.05	5.02	1.50	**181.37**
	Disposals / adjustments	(6.73)	(1.82)	(63.08)	(0.71)	(6.74)	(0.06)	**(79.14)**
	Balance as on March 31, 2024	**48.19**	**13.80**	**177.52**	**114.38**	**5.93**	**3.49**	**363.31**
III.	**Net Carrying Value (I-II)**							
	Balance as on March 31, 2023	**65.20**	**10.52**	**316.21**	**189.24**	**21.50**	**13.17**	**615.84**
	Balance as on March 31, 2024	**89.95**	**11.64**	**381.31**	**241.78**	**35.64**	**12.03**	**772.34**

Notes:

(i) The Company has elected to continue with the carrying value of its property, plant and equipment as on the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(ii) Property, plant and equipment (excluding vehicles) have been pledged against secured term loan and cash credit facility (Refer note 18)

5(B) RIGHT OF USE ASSETS

	Particulars	As at March 31, 2024	As at March 31, 2023
I.	**Gross Carrying Value**		
	Opening gross carrying amount	2,452.92	1,705.81
	Additions	768.33	747.11
	Deletions	(286.45)	-
	Closing gross carrying value	**2,934.80**	**2,452.92**
II.	**Accumulated Depreciation**		
	Opening accumulated depreciation	721.65	334.56
	Depreciation expense	439.00	387.09
	Deletions	(240.83)	-
	Closing accumulated depreciation	**919.82**	**721.65**
III.	**Net Carrying Value**	**2,014.98**	**1,731.27**

The right of use assets comprise of buildings taken on lease. The Company has used a single discount rate to a portfolio of leases with similar characteristic.

(i) The following is the break-up of current and non-current lease liabilities :

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liability	342.28	305.94
Non Current lease liability	1,814.16	1,512.41
Total	**2,156.44**	**1,818.35**

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(ii) The following is the movement in lease liabilities during the year :

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	1,818.35	1,407.84
Additions/modifications	733.09	727.88
Deletions	(49.36)	-
Finance cost on lease liabilities (Refer note 29)	165.68	115.25
Lease rentals paid	(511.32)	(432.62)
Balance as at the end of the year	**2,156.44**	**1,818.35**

(iii) Details of contractual maturities of lease liabilities on an undiscounted basis :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Less than one year	501.02	433.79
One to five years	1,640.32	1,274.67
More than five years	711.14	619.87
Total	**2,852.48**	**2,328.33**

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the lease liabilities as and when they fall due.

(iv) Impact on statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on lease liabilities	165.68	115.25
Depreciation on right of use assets	439.00	387.09
Expenses relating to short-term leases	3.80	0.53
Expenses relating to variable leases	58.22	37.95
Expenses relating to low value leases	2.41	1.85
Others	-	3.08

(v) Covid-19-Related Rent Concessions

The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the Covid-19 pandemic. Many lessors have provided rent concessions to lessees as a result of the Covid-19 pandemic. Rent concessions can include rent holidays or rent reductions for a period of time. Applying the requirements in Ind AS 116 for changes to lease payments, particularly assessing whether the rent concessions are lease modifications and applying the required accounting, could be practically difficult in the current environment. The objective of the amendment is to provide lessees that have been granted Covid-19 related rent concessions with practical relief, while still providing useful information about leases to users of the financial statements.

As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all of the following conditions are met:

(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

(ii) any reduction in lease payments affect only payments originally due on or before June 30, 2022.

(iii) There is no substantive change to other terms and conditions of the lease.

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19 - Related Rent Concessions" effective from the period beginning on or after April 01, 2020 and vide notification dated June 18, 2021, extended practical expedient upto June 30, 2022. The Company has accounted the unconditional rent concessions of ₹ NIL for the year ended March 31, 2024 (for the year ended March 31, 2023: ₹ 3.58 million). The same has been accounted as a Rental Income in the Standalone Statement of Profit and Loss.

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5(C) CAPITAL WORK IN PROGRESS

Particulars	Leasehold Improvement	Total
Balance as on April 01, 2022	**5.58**	**5.58**
Additions	2.08	**2.08**
Transfer to Property, plant and equipment	(5.58)	**(5.58)**
Balance as on March 31, 2023	**2.08**	**2.08**
Additions	8.34	**8.34**
Transfer to Property, plant and equipment	(2.08)	**(2.08)**
Balance as on March 31, 2024	**8.34**	**8.34**

Capital work-in-progress ageing schedule for the year ended March 31, 2024 is as follows:

Particulars	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8.34	-	-	-	8.34
Total	**8.34**	**-**	**-**	**-**	**8.34**

Capital work-in-progress ageing schedule for the year ended March 31, 2023 is as follows:

Particulars	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.08	-	-	-	2.08
Total	**2.08**	**-**	**-**	**-**	**2.08**

Note:

There is no capital work in progress pertaining to projects as of March 31, 2024 and March 31, 2023 whose completion is overdue or has exceeded it's cost compared to original plan.

6 INVESTMENT PROPERTY

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying value		
Opening gross carrying amount	17.42	17.42
Additions	-	-
Deletion	-	-
Closing gross carrying value	**17.42**	**17.42**
Accumulated depreciation		
Opening accumulated depreciation	0.76	0.38
Depreciation charge (Refer note 30)	0.38	0.38
Closing accumulated depreciation	**1.14**	**0.76**
Net carrying value	**16.28**	**16.66**

(i) Amounts recognised in Statement of Profit and Loss for investment properties

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rental income (Refer note 25)	4.46	4.25
Direct operating expenses from property that generated rental income	(0.81)	(0.16)
Profit/(Loss) from investment properties before depreciation	**3.65**	**4.09**
Depreciation charge (Refer note 30)	(0.38)	(0.38)
Profit/(Loss) from investment properties	**3.27**	**3.71**

(ii) There is no immovable property which is not held in the name of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(iii) Investment property includes ₹ 3,250/- being the value of sixty five shares of ₹ 50 each in Tex Centre Premises Co-operative Society Limited.

(iv) Details of rental income receivable on an undiscounted basis:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	4.69	4.46
One to five years	6.42	11.11
More than five years	-	-
	11.11	**15.57**

(v) The fair value of investment properties of ₹ 147.50 million as at March 31, 2023 has been arrived at on the basis of valuations carried out at that date by 'Yardi Prabhu Consultants & Valuers Private Limited', an accredited independent valuer. They specialise in valuing these types of investment properties and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

Description of valuation techniques used and key inputs to valuation on investment properties:

Investment properties Valuation	Technique
Building	Selling Price method based on recent market prices

7 OTHER INTANGIBLE ASSETS

	Particulars	Trade Mark & Brands	Software	Total
I.	**Gross Carrying Value**			
	Balance as on April 01, 2022	**1.92**	**0.07**	**1.99**
	Additions	0.03	3.02	**3.05**
	Disposals / adjustments	-	-	**-**
	Balance as on March 31, 2023	**1.95**	**3.09**	**5.04**
	Additions	-	-	**-**
	Disposals / adjustments	(0.01)	-	**(0.01)**
	Balance as on March 31, 2024	**1.94**	**3.09**	**5.03**
II.	**Accumulated Amortisation**			
	Balance as on April 01, 2022	**0.54**	**0.07**	**0.61**
	Amortisation expense	0.52	0.15	**0.67**
	Disposals / adjustments	-	-	**-**
	Balance as on March 31, 2023	**1.06**	**0.22**	**1.28**
	Amortisation expense	0.50	1.01	**1.51**
	Disposals / adjustments	(0.01)	-	**(0.01)**
	Balance as on March 31, 2024	**1.55**	**1.23**	**2.78**
III.	**Net Carrying Value (I-II)**			
	Balance as on March 31, 2023	**0.89**	**2.87**	**3.76**
	Balance as on March 31, 2024	**0.39**	**1.86**	**2.25**

Notes:

(i) The Company has elected to continue with the carrying value of its Intangible Assets as on the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

8 NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2024		As at March 31, 2023	
	Units	Amount	Units	Amount
Investments in Equity Instruments				
Unquoted investment (measured at cost)				
Investments in subsidiary				
KAPS Mercantile Private Limited, equity shares of ₹10/- each fully paid	2,140,000	21.40	2,140,000	21.40
Less: Impairment in value of investment in subsidiary	(2,140,000)	(21.40)	(2,140,000)	(21.40)
Total	-	-	-	-

9 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Non-current		
Security deposits paid	157.68	126.83
	157.68	**126.83**
(Unsecured, considered doubtful)		
Non-current		
Security deposits paid	9.89	9.15
Less: Allowance for doubtful security deposit	(9.89)	(9.15)
	-	-
Total	**157.68**	**126.83**
(Unsecured, considered good)		
Current		
(a) Security deposits paid	86.06	80.14
(b) Accrued interest on bank deposits	0.20	0.17
Total	**86.26**	**80.31**

10 DEFERRED TAX ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets (a)	776.96	642.59
Deferred tax liabilities (b)	(510.28)	(440.07)
Deferred tax assets (net) (a-b)	**266.68**	**202.52**

Deferred tax assets / (liabilities) in relation to:

	Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	As at March 31 2024				
i)	**Deferred tax assets in relation to:**				
	Property, plant and equipment	101.55	11.54	-	113.09
	Other Intangible assets	-	-	-	-
	Investment in Subsidiary	-	-	-	-
	Leases (net)	457.65	85.09	-	542.74
	Security deposits paid	13.11	3.26	-	16.37
	Fair value of security deposits given	-	-	-	-
	Employee benefits	15.01	2.51	0.14	17.66
	Doubtful debts	23.46	2.04	-	25.50
	Loyalty points	4.67	4.80	-	9.47

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

	Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	Revenue reversal - goods sold on sale or return basis	26.01	24.93	-	50.94
	GST Input Tax Credit	1.13	(0.31)	-	0.82
	Trade Payable - MSME	-	0.37	-	0.37
	Total	**642.59**	**134.23**	**0.14**	**776.96**
ii)	**Deferred tax liabilities in relation to:**				
	Property, plant and equipment	-	-	-	0.00
	Other Intangible assets	0.04	(0.04)	-	-
	Investment property	3.14	0.01	-	3.15
	Leases (net)	424.33	69.64	-	493.97
	Security deposits paid	12.56	0.60	-	13.16
	Total	**440.07**	**70.21**	**-**	**510.28**
	Deferred tax assets (net)	**202.52**	**64.02**	**0.14**	**266.68**

	Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	As at March 31 2023				
i)	**Deferred tax assets in relation to:**				
	Property, plant and equipment	92.35	9.20	-	101.55
	Leases (net)	354.33	103.32	-	457.65
	Security deposits paid	11.40	1.71	-	13.11
	Employee benefits	14.87	0.17	(0.03)	15.01
	Doubtful debts	28.09	(4.63)	-	23.46
	Loyalty points	3.21	1.46	-	4.67
	Revenue reversal - goods sold on sale or return basis	3.32	22.69	-	26.01
	GST Input Tax Credit	-	1.13	-	1.13
	Total	**507.57**	**135.05**	**(0.03)**	**642.59**
ii)	**Deferred tax liabilities in relation to:**				
	Other Intangible assets	0.01	0.03	-	0.04
	Investment property	3.12	0.02	-	3.14
	Leases (net)	335.46	88.87	-	424.33
	Security deposits paid	11.08	1.48	-	12.56
	Total	**349.67**	**90.40**	**-**	**440.07**
	Deferred tax assets (net)	**157.90**	**44.65**	**(0.03)**	**202.52**

11 NON-CURRENT TAX ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Income Tax Assets (net of provision for tax)	5.49	15.02
Total	**5.49**	**15.02**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

12 OTHER ASSETS

(Unsecured, considered good)

	Particulars	As at March 31, 2024	As at March 31, 2023
	Non-current		
(a)	Capital advances	4.90	1.00
(b)	Balance with government authorities (Goods and Services tax input receivable)	176.26	149.17
(c)	Prepayments	1.35	0.09
(d)	Prepayments - Security deposits	5.78	4.59
	Total	**188.29**	**154.85**
	Current		
(a)	Advances to employees	4.73	2.47
(b)	Prepayments	7.09	92.19
(c)	Prepayments - Security deposits	0.01	0.06
(d)	Advances to suppliers	12.39	10.55
(e)	Right to return good assets (Refer note (i) below)	128.60	80.23
(f)	Other advances (Refer note (iii) below)	31.00	14.43
	Total	**183.82**	**199.93**

Note:

(i) The right to return goods asset represents the Company's right to recover products from customers where customers exercise their right of return under the Company's returns policy. The Company uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method.

(ii) Other assets have been pledged against secured term loan and cash credit facility (Refer note 18)

(iii) The Company has incurred, expenses amounting to ₹ 343 million in connection with initial public offer of equity shares of the Company. In accordance with the Companies Act, 2013 (the Act), the Company has fully recovered the aforesaid expenses from the selling shareholders. As at March 31, 2024 balance of ₹ 31 million are lying in the escrow account.

13 INVENTORIES

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	57.67	57.80
Raw materials - In Transit	-	2.91
Finished goods	1,185.72	1,003.72
Finished goods - In Transit	6.00	69.60
Total	**1,249.39**	**1,134.03**

(i) The cost of inventories recognised as an expense is ₹ 2,412.73 million for the year ended March 31, 2024 (for the year ended March 31, 2023 ₹ 2,119.41 million).

(ii) The cost of inventories recognised as an expense on account of write-down of inventory is ₹ 16.65 million for the year ended March 31, 2024 (for the year ended March 31, 2023 ₹ 25.62 million).

(iii) The mode of valuation of inventory has been stated in note 2.9.

(iv) Inventories have been pledged against secured term loan and cash credit facility (Refer note 18)

14 TRADE RECEIVABLES

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Unsecured, considered good	2,122.15	1,372.82
Unsecured, considered doubtful	91.41	84.04
	2,213.56	1,456.86
Less: Allowance for doubtful debts (expected credit loss allowance)	(91.41)	(84.04)
Total	**2,122.15**	**1,372.82**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Note:

(i) Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance as at the beginning of the year	84.04	103.88
Add: Provided / (Reversal) during the year	7.37	(19.84)
Less: Amount Written off	-	-
Balance as at the end of the year	**91.41**	**84.04**

(ii) Age of receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Less than 180 days	2,002.59	1,231.53
More than 180 days	210.97	225.32
Provided	(91.41)	(84.04)

(iii) Trade receivable ageing:

Outstanding for following periods from date of transaction

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Undisputed Trade Receivables-considered good		
Not due	-	-
Less than 6 months	2,002.57	1,231.53
6 months - 1 year	97.15	135.53
1-2 years	22.43	2.77
2-3 years	-	2.35
More than 3 years	-	0.64
Sub-total	**2,122.15**	**1,372.82**
(b) Undisputed trade receivables which have significant increase in credit risk		
Not due	-	-
Less than 6 months	0.02	-
6 months - 1 year	1.07	0.08
1-2 years	5.66	64.76
2-3 years	8.70	2.04
More than 3 years	75.96	17.16
Sub-total	**91.41**	**84.04**
Less: Allowance for doubtful trade receivables (expected credit loss allowance)	(91.41)	(84.04)
Total	**2,122.15**	**1,372.82**

(iv) The Company recognises allowance for expected credit loss on trade receivables, which are assessed for credit risk on individual basis.

(v) The management has established a credit policy under which customers are analysed for creditworthiness.

(vi) Trade receivables have been pledged against secured term loan and cash credit facility (Refer note 18).

(vii) There were no receivables due from directors or any of the officers of the Company.

(viii) No single customer represents 10% or more of the Company's total revenue for the year ended March 31, 2024 and 2023, respectively.

(ix) Generally, customers remit sales consideration without specifying particular invoices in respect of which such remittances are being made. Hence, such receipts from the customers are adjusted against their trade receivables on First in First out (FIFO) basis.

(x) There are no disputed trade receivables as at March 31, 2024 and March 31, 2023.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(xi) Relationship with Struck off Companies: The following table depicts the details of balances outstanding in respect of transaction undertaken with a Company struck off under section 248 of the Companies Act, 2013:

Name of struck off Company / Nature of Transaction	As at March 31, 2024	As at March 31, 2023
Value Shoppe Private Limited	0.03	-

15 CASH AND CASH EQUIVALENTS

For the purpose of statement of cashflows, cash and cash equivalents includes cash on hand and balance in banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	7.75	4.61
Balance with Banks		
In current accounts	8.73	72.48
In demand deposit accounts	-	-
- Having maturity more than 3 months but less than 12 months	-	4.11
Other bank balances		
In earmarked deposit accounts	8.29	7.72
Total	**24.77**	**88.92**

Note:

Cash and cash equivalents have been pledged against secured term loan and cash credit facility (Refer note 18)

16 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Authorised share capital				
Equity share capital				
Equity Shares of ₹ 2 each (for the year ended March 31, 2023 ₹ 10 each) with voting rights (Refer note below)	70,000,000	140.00	14,000,000	140.00
Total	**70,000,000**	**140.00**	**14,000,000**	**140.00**
Issued share capital				
Equity Shares of ₹ 2 each (for the year ended March 31, 2023 ₹ 10 each) with voting rights (Refer note below)	64,481,220	128.96	3,215,094	32.15
Total	**64,481,220**	**128.96**	**3,215,094**	**32.15**
Subscribed and Paid-up share capital				
Equity Shares of ₹ 2 each (for the year ended March 31, 2023 ₹ 10 each) with voting rights (Refer note below)	64,481,220	128.96	3,215,094	32.15
Total	**64,481,220**	**128.96**	**3,215,094**	**32.15**

(i) The Authorised Share Capital of the Company of ₹ 50 million (consisting of 5,000,000 equity shares of face value of ₹ 10 each) was increased and subdivided to ₹ 140 million (consisting of 70,000,000 equity shares of face value of ₹ 2 each) through ordinary resolutions passed by the Shareholders of the Company in Extra Ordinary General Meetings of Company held on February 14, 2023 and April 18, 2023, respectively.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Equity shares with voting rights				
At the beginning of the year	3,215,094	32.15	3,192,037	31.92
Add: Shares issued during the year	179,340	0.36	23,057	0.23
Add: Issued on account of bonus shares during the year (Refer note 16 f)	9,645,282	96.45	-	-
Add: Issued on account of split of shares during the year (Refer note 16 g)	51,441,504	-	-	-
At the end of the year	**64,481,220**	**128.96**	**3,215,094**	**32.15**

b. Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mrs. Poonam Khuslani	13,889,380	21.54%	908,219	28.25%
Mr. Kamal Khuslani	18,120,420	28.10%	1,113,021	34.62%
M/s. Bennett, Coleman & Company Limited	5,231,701	8.11%	406,399	12.64%
M/s. Bella Properties Private Limited	-	-	251,563	7.82%

c. Details of shares held by promoters at the end of the year *

Class of shares / Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mrs. Poonam Khuslani	13,889,380	21.54%	908,219	28.25%
(Percentage change during the year)		(6.71%)		(0.20%)
Mr. Kamal Khuslani	18,120,420	28.10%	1,113,021	34.62%
(Percentage change during the year)		(6.52%)		(0.25%)
Mr. Andrew Khuslani	1,806,000	2.80%	95,700	2.98%
(Percentage change during the year)		(0.18%)		0.00%
Ms. Sonakshi Khuslani	1,806,000	2.80%	95,700	2.98%
(Percentage change during the year)		(0.18%)		0.00%

* Promoters means promoters as defined in Companies Act, 2013.

d. Shares reserved for issue under options:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Equity Shares of ₹ 2 each (for the year ended March 31, 2023 ₹ 10 each) with voting rights	2,741,380	5.48	140,036	1.40

e. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 each (Refer note 16 g). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

f. Bonus-issue of equity shares

The Company has allotted 9,645,282 fully paid-up shares of face value ₹ 10 each on April 07, 2023, pursuant to bonus issue approved by the shareholders in the Extraordinary General Meeting dated February 14, 2023. For the bonus issue, bonus share of three equity share for every one equity shares held, has been allotted.

g. Sub-division of equity shares

The Shareholders in their Extraordinary General Meeting dated April 18, 2023 approved sub-division of each authorised and issued equity shares of face value ₹ 10 into five equity shares of face value of ₹ 2 each.

17 OTHER EQUITY

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium	68.70	159.14
Share option outstanding account	14.26	9.02
Retained earnings	3,204.48	2,613.27
Total	**3,287.44**	**2,781.43**

(i) Securities Premium

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	159.14	147.85
Utilisation on issue of Bonus shares	(96.45)	-
Transfer from Share option outstanding account	0.75	11.29
Addition on issue of shares	5.26	-
Balance as at end of the year	**68.70**	**159.14**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Share option outstanding account

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	9.02	18.02
Recognition of Share based payments	5.99	2.29
Transfer to Share premium	(0.75)	(11.29)
Balance as at end of the year	**14.26**	**9.02**

The above reserve relates to share option granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 37.

(iii) Retained earnings

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	2,613.27	2,160.15
Add: Profit for the year	591.62	774.53
Less: Payment of dividend	-	(321.51)
Add: Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of tax)	(0.41)	0.10
Balance as at end of the year	**3,204.48**	**2,613.27**

Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

18 BORROWINGS

	Particulars	As at March 31, 2024	As at March 31, 2023
	Secured - at amortised cost		
	Non-current borrowings		
(a)	Term loans from bank (Refer note 1 below)	34.31	67.55
(b)	Vehicle loans from others (Refer note 2 below)	14.15	-
	Total	**48.46**	**67.55**
	Current borrowings		
(a)	**Current maturities of long-term borrowings (secured)**		
	Term loans from bank (Refer note 1 below)	33.24	33.24
	Vehicle loans from others (Refer note 2 below)	3.14	-
		36.38	**33.24**
(b)	**Other Borrowings**		
	Cash credit from bank (Refer note 3 below)	90.51	-
	Working capital demand loan (Refer note 4 below)	200.00	-
		290.51	-
	Total	**326.89**	**33.24**

Note:

1 Term loans

1.1 Interest

Interest rate on term loans shall be calculated at a sum of the 6 Month MCLR plus 20 basis points. The interest rate is subject to changes on the base rate of Reserve Bank of India from time to time.

Particulars	As at March 31, 2024	As at March 31, 2023
Interest rate	8.60%	7.85%

1.2 Repayment terms

The repayment schedule of outstanding balances of term loans is as under:

Repayable in	As at March 31, 2024	As at March 31, 2023
2023-24	-	33.24
2024-25	33.24	33.24
2025-26	34.31	34.31
Total	**67.55**	**100.79**

1.3 Security

Term loan are secured by hypothecation of entire current assets, movable and immovable assets of the Company.

1.4 Prepayment terms

Prepayment of vehicle loan prior to completion of tenure shall attract a penal charge.

2 Vehicle loans

2.1 Interest

Interest rate on vehicle loan as at March 31, 2024 is 8.70% per annum.

2.2 Repayment terms

The repayment schedule of outstanding balances of vehicle loans is as under:

Repayable in	As at March 31, 2024	As at March 31, 2023
2024-25	3.14	-
2025-26	3.42	-
2026-27	3.73	-
2027-28	4.07	-
2028-29	2.91	-
Total	**17.27**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

2.3 Security

Vehicle loan is secured by first and exclusive charge on the corresponding vehicle.

2.4 Prepayment terms

Prepayment of term loan prior to completion of tenure shall attract a penal charge.

3 Cash credit facility

Cash credit from banks are secured by hypothecation of existing current assets and immovable assets of the Company.

4 Working capital demand loan

Working capital facilities and other fund based facilities i.e. working capital demand loan and are secured by hypothecation of inventories, book debts and receivables.

19 OTHER FINANCIAL LIABILITIES

	Particulars	As at March 31, 2024	As at March 31, 2023
	Non-Current		
(a)	Security deposits received	398.98	355.36
	Total	**398.98**	**355.36**
	Current		
(b)	Creditors for capital goods	17.18	17.49
(c)	Interest accrued but not due on borrowings	1.00	0.72
(d)	Interest accrued and due on security deposits	5.54	5.09
	Total	**23.72**	**23.30**

20 PROVISIONS

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Provision for employee benefits:		
Provision for gratuity (Refer note 36)	40.19	38.16
Total	**40.19**	**38.16**
Current		
Provision for employee benefits:		
Provision for compensated absences	2.94	2.25
Provision for gratuity (Refer note 36)	8.16	5.04
Other provisions		
Provision for loyalty points	37.62	18.54
Total	**48.72**	**25.83**

Customer Loyalty Points

Particulars	As at March 31, 2024	As at March 31, 2023
As at the beginning of the year	18.54	12.76
Deferred during the year	37.62	18.54
Released to the statement of Profit and Loss	(18.54)	(12.76)
As at the end of the year	**37.62**	**18.54**

The Company estimates the fair value of points awarded under the loyalty programme by applying statistical techniques. Inputs to the model includes making assumptions about expected redemption basis the Company's historic trends of redemption and expiry period of the points and such estimates are subject to significant uncertainty.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

21 OTHER LIABILITIES

	Particulars	As at March 31, 2024	As at March 31, 2023
	Current		
(a)	Advances from customers	3.42	9.49
(b)	Statutory dues	15.28	27.01
(c)	Refund liability for expected sales return (Refer note below)	319.21	108.31
	Total	**337.91**	**144.81**

Note:

Other current liabilities include refund liability relating to customers' right to return products as per Company's policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The Company uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method.

22 TRADE PAYABLES

	Particulars	As at March 31, 2024	As at March 31, 2023
(i)	Total outstanding dues of micro enterprises and small enterprises	94.09	118.26
		94.09	**118.26**
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	162.61	275.13
(iii)	Accrued payroll and employee benefits	38.88	31.27
		201.49	**306.40**
	Total	**295.58**	**424.66**

Note:

(i) The average credit period on purchases of goods and services are within 30 to 75 days.

(ii) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

	Particulars	As at March 31, 2024	As at March 31, 2023
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.*		
	Principal	99.24	115.07
	Interest	0.07	0.01
(b)	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	2.62	2.31
(d)	The amount of interest accrued and remaining unpaid at the end of accounting year; and	2.69	2.32
(e)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	0.01	0.87

Dues to Micro and Small Enterprises (MSME) have been determined to the extent such parties have been Identified on the basis of Information collected by the Management. This has been relied upon by the auditors.

*Includes dues of micro, small and medium enterprises (MSME) included within other financial liabilities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(iii) Trade payable analysis

Outstanding for following periods from date of transaction

Particulars	As at March 31, 2024	As at March 31, 2023
Undisputed dues		
Micro, small and medium enterprises		
Not due	-	-
Less than 1 year	87.40	118.26
1-2 years	4.25	-
2-3 years	2.07	-
More than 3 years	0.37	-
	94.09	**118.26**
Others		
Not due	-	-
Less than 1 year	159.41	270.40
1-2 years	1.17	1.63
2-3 years	1.35	1.26
More than 3 years	0.68	1.84
	162.61	**275.13**
Total	**256.70**	**393.39**

(iv) There are no disputed trade payables as at March 31, 2024 and March 31, 2023.

(v) Relationship with Struck off Companies: During the current financial year, Company doesn't have any transactions and outstanding balances with struck off Companies.

23 CURRENT TAX LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax liability (net of advance tax and tax deducted at source)	5.43	-
Total	**5.43**	**-**

24 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Products	5,673.32	4,981.82
Total	**5,673.32**	**4,981.82**

Reconciliation of revenue recognised with contract price :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from sale of products (gross) at contract price	6,559.16	5,439.28
Less:		
Provision for Sales Return	(210.91)	(42.27)
Customer Loyalty Points & Gift Vouchers	(48.87)	(29.22)
Discount	(626.06)	(385.97)
Net revenue from sale of products	**5,673.32**	**4,981.82**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

25 OTHER INCOME

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Interest received		
	Financial assets measured at amortised cost		
	Bank deposits	0.62	9.54
	Security deposits	13.19	12.95
	Income tax	-	0.41
	Others	3.49	33.68
(b)	Other gains and losses		
	Rental income (Refer note 6 (i))	4.46	4.25
	Profit on sale of asset	2.63	-
	Covid-19 related rent concession (Refer note 5b)	-	3.58
	Discount received	9.58	14.71
	Sundry balances written back	2.03	3.00
	Excess provisions written back	-	49.25
	Gain on termination of leases (Net)	5.39	-
	Miscellaneous income	4.73	0.03
	Total	**46.12**	**131.40**

26 COST OF MATERIALS CONSUMED

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Opening stock (including Goods-in-transit)	60.71	51.91
	Add: Purchase of Raw Materials	164.52	287.27
		225.23	**339.18**
	Less: Closing stock (including Goods-in-transit)	(57.67)	(60.71)
	Total (a)	**167.56**	**278.47**
(b)	Purchases of stock-in-trade	2,363.57	2,308.79
	Total	**2,531.13**	**2,587.26**

27 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Closing stock		
	Finished goods and stock-in-trade	1,191.72	1,073.32
		1,191.72	**1,073.32**
(b)	Opening stock		
	Finished goods and stock-in-trade	1,073.32	605.47
		1,073.32	**605.47**
	Total	**(118.40)**	**(467.85)**

28 EMPLOYEE BENEFITS EXPENSE

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Salaries and wages	287.50	245.41
(b)	Share-based payments (Refer note 37)	5.99	2.29
(c)	Contribution to provident and other funds	4.43	2.69
(d)	Gratuity expenses (Refer note 36)	7.00	6.72
(e)	Staff welfare expenses	10.27	10.25
	Total	**315.19**	**267.36**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

29 FINANCE COSTS

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Interest expenses for financial liabilities (classified at amortised cost)		
	Borrowings	22.74	8.84
	Trade payables	2.69	3.19
	Security deposits	24.53	22.00
(b)	Interest on lease liabilities (Refer note 5b)	165.68	115.25
(c)	Interest on delayed payment of taxes	1.22	6.81
(d)	Others	23.71	21.27
	Total	**240.57**	**177.36**

30 DEPRECIATION AND AMORTISATION EXPENSE

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Depreciation on property, plant and equipment (Refer note 5a)	181.37	146.16
(b)	Depreciation on right of use assets (Refer note 5b)	438.99	387.09
(c)	Depreciation on investment properties (Refer note 6)	0.38	0.38
(d)	Amortisation of intangible assets (Refer note 7)	1.51	0.67
	Total	**622.25**	**534.30**

31 OTHER EXPENSES

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Power and fuel	36.16	25.66
(b)	Rent (Refer note 5b)	68.58	47.68
(c)	Repair and maintenance	12.15	5.31
(d)	Insurance expenses	12.72	9.84
(e)	Rates and taxes	21.63	16.12
(f)	Communication	7.53	7.60
(g)	Travelling and conveyance	61.19	43.24
(h)	Printing and stationery	3.93	2.62
(i)	Freight charges	58.53	41.78
(j)	Sales commission	191.34	145.55
(k)	Advertisement	260.24	149.07
(l)	Sales promotion	50.12	24.58
(m)	Net loss on foreign currency transactions and translation other than considered as finance costs	0.01	0.00
(n)	Legal and professional	44.69	52.69
(o)	Payments to auditors (Refer note below)	4.83	7.96
(p)	Expenditure on corporate social responsibility	10.64	6.40
(q)	Loss on property, plant and equipment sold / scrapped / written off	8.44	4.05
(r)	Computer and Software Charges	15.81	11.94
(s)	Labour charges	5.20	5.03
(t)	Security charges	8.22	8.44
(u)	Store Expenses	95.35	73.05
(v)	Courier Charges	15.36	7.85
(w)	Manpower Expenses	323.01	226.66
(x)	Impairment on Investment in Subsidiary	0.00	21.40
(y)	Bad debts written off	0.37	0.23
(z)	Security deposit written off	0.00	4.88
(aa)	Allowance for expected credit loss	7.37	9.41
(ab)	Allowance for doubtful deposits	0.73	1.43
(ac)	Director sitting fees	3.13	0.20
(ad)	Miscellaneous expenses	12.83	16.61
	Total	**1,340.11**	**977.28**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Note:

Payment to auditors comprise (net of tax input credit, where applicable)*:

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	To Statutory auditors for:		
(a)	For Audit	4.50	4.30
(b)	For Other services	0.24	3.61
(c)	Reimbursement of expenses	0.09	0.05
	Total	**4.83**	**7.96**

*excluding payment made related to IPO services. (Refer note 12(iii))

32 TAX EXPENSE

(i) Income tax recognised in Standalone Statement of Profit or Loss

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Current tax	265.87	309.05
(b)	Short/(Excess) provision of income tax in relation to earlier years	(4.88)	(1.42)
(c)	Deferred Tax charge/(credit)	(64.02)	(44.65)
	Total	**196.97**	**262.98**

(ii) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	788.59	1,037.51
Tax Rate	25.17%	25.17%
Income tax expense calculated	198.47	261.12
Adjustment		
Expense that are not deductible in determining taxable profit	3.46	3.68
Short/(Excess) provision of income tax of earlier years	(4.88)	(1.42)
Others	(0.08)	(0.40)
	(1.50)	**1.86**
Income tax expense recognised in Standalone Statement of Profit or Loss	**196.97**	**262.98**

(iii) Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax arising on expense recognised in other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(0.14)	0.03
Total	**(0.14)**	**0.03**

33 CONTINGENT LIABILITIES AND COMMITMENTS

	Particulars	As at March 31, 2024	As at March 31, 2023
A.	Contingent Liabilities		
	Claims against the Company not acknowledged as debts (Refer note (i) below)		
	Income tax matters	4.00	4.00
	Goods and service tax matters	3.24	0.00
	Other matters (Refer note (ii) below)	7.61	7.58

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

	Particulars	As at March 31, 2024	As at March 31, 2023
B.	Commitments		
	Estimated amount of contracts remaining to be executed on tangible assets and not provided for (net of advances) (Refer note (iv) below)	2.64	11.12
	Bank Guarantee given (Refer note (v) below)	27.50	0.00

Notes:

(i) The Company has assessed all its pending litigation and proceedings and has adequately provided where provision are required. The Company has disclosed contingent liabilities wherever applicable. The resolution of these legal proceedings is not likely to have a material and adverse effect on the results of operations or the financial position of the Company.

(ii) Other matters includes:

a) Bonus liability amounting to ₹ 3.87 million for the 2014-15 is pending for settlement with judiciary authorities.

b) The vendors have raised claims amounting of ₹ 3.74 million (as at March 31, 2023 ₹ 3.71 million) on account of non payment as per terms of the respective contracts. The Company has contended that the vendors have not adhered to some of the contract terms. At present the matters are pending before the jurisdictional authorities .

(iii) Apart from the commitments disclosed above, the Company has no financial commitments other than those in the nature of regular business operations.

(iv) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(v) Bank guarantee amounting to ₹ 27.50 million given to Bombay Stock Exchange (BSE) in relation to Initial Public Offer (IPO)

34 SEGMENT REPORTING

The Company is primarily engaged in the business of retailing of men's casual wear under its Brand MUFTI, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting business segment.

There are no material individual markets outside India and hence the same is not disclosed for geographical segments for the segment revenues or results or assets. During the year ended March 31, 2024 and March 31, 2023, revenue from transactions with a single external customer did not amount to 10 percent or more of the Company's revenues from the external customers.

35 EARNINGS PER SHARE ('EPS')

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic earnings per share		
Profit for the year (A)	**591.62**	**774.53**
Weighted Number of equity shares at the end of the year	64,301,880	3,208,398
Add: Bonus shares issued (Refer note (i) below)	-	9,645,282
Add: Shares increased on account of sub-division (Refer note (ii) below)	-	51,441,504
Add: Shares increased on account of ESOP shares exercised.	27,003	-
Weighted average number of shares outstanding during the year for Basic EPS (B)	**64,328,883**	**64,295,184**
Basic earnings per share in ₹ (C=A/B)	**9.20**	**12.05**
Diluted earnings per share		
Profit for the year (A)	**591.62**	**774.53**
Weighted average number of shares outstanding during the year for Basic EPS	64,328,883	64,295,184
Add: Weighted average number of potential equity shares*	46,661	-
Weighted average number of equity shares for Diluted EPS (B)	**64,375,544**	**64,295,184**
Diluted earnings per share in ₹ (C=A/B)	**9.19**	**12.05**

* Stock options granted to the employees under various ESOP schemes are considered to be potential equity shares. The same is considered in the determination of diluted earnings per share to the extent that they are not anti-dilutive. The stock options are not included in the determination of basic earnings per share.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Notes:

(i) The Company has allotted 9,645,282 fully paid-up shares of face value ₹ 10 each on April 07, 2023, pursuant to bonus issue approved by the shareholders in the Extraordinary General Meeting dated February 14, 2023. For the bonus issue, bonus share of three equity share for every one equity shares held, has been allotted.

(ii) The Shareholders in their Extraordinary General Meeting dated April 18, 2023 approved sub-division of each authorised and issued equity shares of face value ₹ 10 into five equity shares of face value of ₹ 2 each.

36 EMPLOYEE BENEFIT PLANS

Disclosure on Retirement Benefits as required in Indian Accounting Standard (Ind AS) 19 on "Employee Benefits" are given below:

A. Defined Contribution Plan

The Company's contribution to Provident & Other Funds is ₹ 3.84 million for the year ended March 31, 2024 (for the year ended March 31, 2023: ₹ 2.96 million), has been recognised in the Statement of Profit and Loss under the head employee benefit expense.

B. Defined Benefit Plan:

Gratuity

(a) The Company offers to its employees unfunded defined-benefit plan in the form of a gratuity scheme. Benefits under the unfunded defined-benefit plans are based on years of service and the employees' compensation (immediately before retirement). Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.

(b) This plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest Risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. entity has to manage pay-out based on pay as you go basis from own funds.

(c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Particulars	Valuation As at March 31, 2024	Valuation As at March 31, 2023
(i)	Discount rate(s)	7.20%	7.46%
(ii)	Expected rate(s) of salary increase	10.00%	10.00%
(iii)	Mortality table used	IALM (2012-14) Urban	IALM (2012-14) Urban
(iv)	Attrition rate		
	Service 1 year and below	35.00% p.a.	35.00% p.a.
	Service 2 years to 3 years	21.00% p.a.	21.00% p.a.
	Service 4 years to 5 years	10.00% p.a.	10.00% p.a.
	Service 6 years & above	5.00% p.a.	5.00% p.a.

The discount rate is based on prevailing market yields of Government of India bonds as at the balance sheet date for the expected term of obligation. The estimates of future salary increases considered, takes into account the inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(d) The following tables sets out the funded status of the defined benefit scheme in respect of gratuity:

	Particulars	Gratuity As at March 31, 2024	Gratuity As at March 31, 2023
I.	**Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:**		
(i)	Current Service Cost	3.80	4.02
(ii)	Past service cost and (gains)/losses from settlements	-	-
(iii)	Net interest expense	3.19	2.70
	Components of defined benefit costs recognised in profit or loss	**6.99**	**6.72**
	Remeasurement on the net defined benefit liability		
(i)	Actuarial (gains)/loss arising form changes in financial assumptions	0.97	(1.76)
(ii)	Actuarial (gains)/loss arising form changes in demographic assumptions		
(iii)	Actuarial (gains)/loss arising form experience adjustments	(0.42)	1.63
	Components of defined benefit costs recognised in other comprehensive income	**0.55**	**(0.13)**
	Total	**7.54**	**6.59**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss and the remeasurement of the net defined benefit liability is included in 'Other comprehensive income'.

II. Net Asset/(Liability) recognised in the Balance Sheet

	Particulars	Gratuity As at March 31, 2024	Gratuity As at March 31, 2023
(i)	Present value of defined benefit obligation	(48.35)	(43.20)
(ii)	Fair value of plan assets	-	-
(iii)	Surplus	(48.35)	(43.20)
(iv)	Current portion of the above	(8.16)	(5.04)
(v)	Non current portion of the above	(40.19)	(38.16)

III. Change in the obligation during the year

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation at the beginning of the year	43.20	38.66
Expenses Recognised in Profit and Loss Account		
Current Service Cost	3.80	4.02
Interest Expense (income)	3.19	2.70
Recognised in Other Comprehensive Income	-	-
Remeasurement gains / (losses)	-	-
Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	0.97	(1.76)
ii. Demographic Assumptions	-	-
iii. Experience Adjustments	(0.42)	1.63
Benefit payments	(2.39)	(2.05)
Present value of defined benefit obligation at the end of the year	**48.35**	**43.20**

(e) Sensitivity for significant actuarial assumption is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Particulars	Changes in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
(i) **Discount rate**			
As at March 31, 2024	1%	(3.54)	4.10
As at March 31, 2023	1%	(3.29)	2.81
(ii) **Salary growth rate**			
As at March 31, 2024	1%	(2.91)	2.78
As at March 31, 2023	1%	2.69	(2.55)
(iii) **Rate of employee turnover**			
As at March 31, 2024	1%	(0.41)	0.46
As at March 31, 2023	1%	(0.33)	0.36

Note:

I. The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

II. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

37 SHARE-BASED PAYMENTS

A. Credo ESOP 2020

a. The shareholders of the Company, vide special resolution dated November 05, 2020, authorised the Board to grant options under one of more stock option plans. Pursuant to the said approval from the shareholders the Board adopted Credo ESOP 2020 and granted options to the permanent employees of the Company for the first time on November 06, 2020, second time on November 06, 2021 and third time on August 14, 2023.

The Company has used the Fair Value Method by applying Black and Scholes Option Pricing Model to account for share-based payments plan.

b. Options granted would vest over a maximum period of 5 years, while the exercise period is 10 years from the date of grant. Options vest on account of passage of time as well as on fulfilling certain performance criteria. The options exercised would be settled in Equity.

c. There were no modification to the awards during the year ended March 31, 2024. As at the end of the financial year, details and movement of the outstanding options are as follows:

	As at March 31, 2024				
Particulars	**Grant 1**	**Grant 2**	**Grant 3**	**Grant 4**	**Grant 5**
Options granted under ESOP					
Options outstanding at the beginning of the year	-	92,074	37,962	10,000	-
Options granted during the year^	-	1,749,406	721,278	190,000	120,000
Options forfeited during the year	-	-	-	-	-
Options exercised during the year	-	(81,340)	(25,000)	(73,000)	-
Options expired during the year	-	-	-	-	-
Options outstanding at the end of the year	-	1,760,140	734,240	127,000	120,000
Options exercisable at the end of the year	-	1,348,620	545,380	7,000	-
Exercise price of the outstanding options (₹)	-	31.35	31.35	31.35	31.35
Remaining contractual life of the outstanding options (years)	-	6.61	6.61	7.61	9.38
Dividend yield (%)	0.39%	0.39%	0.39%	0.39%	0.07%
Expected Life (Time to Maturity)	5.50	6.16	6.08	6.50	6.25
Risk free interest rate (%)	5.44%	5.58%	5.61%	6.12%	7.07%
Volatility*	15.00%	15.00%	15.00%	15.00%	44.04%
Weighted average fair value	489.71	4.92	4.99	6.25	141.02

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

	As at March 31, 2023				
Particulars	**Grant 1**	**Grant 2**	**Grant 3**	**Grant 4**	**Grant 5**
Options granted under ESOP					
Options outstanding at the beginning of the year	23,057	92,074	37,962	10,000	-
Options granted during the year^	-	-	-	-	-
Options forfeited during the year	-	-	-	-	-
Options exercised during the year	(23,057)	-	-	-	-
Options expired during the year	-	-	-	-	-
Options outstanding at the end of the year	-	92,074	37,962	10,000	-
Options exercisable at the end of the year	-	51,671	19,827	2,000	-
Exercise price of the outstanding options (₹)	-	627	627	627	-
Remaining contractual life of the outstanding options (years)	-	7.85	7.85	8.85	-
Dividend yield (%)	0.39%	0.39%	0.39%	0.39%	-
Expected Life (Time to Maturity)	5.50	6.16	6.08	6.50	-
Risk free interest rate (%)	5.44%	5.58%	5.61%	6.12%	-
Volatility*	15.00%	15.00%	15.00%	15.00%	-
Weighted average fair value	489.71	157.71	99.79	124.93	-

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

The Expected life of the share option is based on historical data and Current expectation and is not necessarily indicative of exercise pattern that may occur.

^ Options granted during the year pertains to additional option granted upon issuance of bonus and sub-division of shares (except for Grant 5, which has been issued post issuance of bonus and sub-division of shares)

Grant 5 issued on August 14, 2023.

38 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Amount required to be spent by the Company during the year	10.64	6.16
(b) Amount of expenditure incurred	(10.64)	(6.40)
(c) Short / (Excess) amount spent	-	(0.24)
(d) Nature of CSR Activities	Promotion of education	Women empowerment and skill development
(e) Details of related party transactions	-	-
(f) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	Not Applicable	Not Applicable

Note :

(i) As per section 135 of the Companies Act, 2013, the amount required to be spent by the Company during the year is disclosed above.

39 RELATED PARTY DISCLOSURE

a. Names of related parties and related party relationships

I. Key management personnel

(a) Mr. Kamal Khushlani (Chairman and Managing Director)

(b) Mrs. Poonam Khushlani (Whole-time Director)

(c) Mr. Amer Jaleel (Independent Director)

(d) Mr. Rasik Mittal (CFO)

(e) Mr. Sanjay Kumar Mutha (Company Secretary) w.e.f. April 07, 2023

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(f) Mr. Paresh Bambolkar (Independent Director) w.e.f. May 09, 2023

(g) Mr. Manoj Nakra (Non-executive Director) w.e.f. May 09, 2023

(h) Mrs. Ramona Jogeshwar (Independent Director) w.e.f. May 09, 2023

II. Relatives of key management personnel

(a) Ms. Sonakshi Khushlani (Daughter of Mr. Kamal and Mrs. Poonam Khushlani)

(b) Mr. Andrew Khushlani (Son of Mr. Kamal and Mrs. Poonam Khushlani)

III. Enterprises controlled by / under significantly influenced by Directors and/or their relatives:

(a) Smart Global Solution and Services

(b) Desire 4 India Private Limited

b. Related party transactions

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Transactions during the year		
Investment in Equity Share Capital		
KAPS Mercantile Private Limited	-	21.30
Impairment of Investment in Equity Share Capital		
KAPS Mercantile Private Limited	-	(21.40)
Payment of TDS on behalf of		
KAPS Mercantile Private Limited	0.01	-
Payment of ROC Expenses on behalf of		
KAPS Mercantile Private Limited	0.00	-
Security Deposit Given / (Received Back)		
KAPS Mercantile Private Limited	-	(20.00)
Remuneration		
Mr. Kamal Khushlani	32.28	36.20
Mrs. Poonam Khushlani	5.04	5.04
Ms. Sonakshi Khushlani	2.00	1.79
Mr. Andrew Khushlani	1.29	0.71
Mr. Rasik Mittal	10.00	10.00
Mr. Sanjay Kumar Mutha	5.11	-
Share-based payments		
Mr. Rasik Mittal	0.36	0.70
Mr. Sanjay Kumar Mutha	4.78	-
Reimbursement of Expenses		
Smart Global Solution and Services	0.15	-
Interim Dividend Paid		
Mr. Kamal Khushlani	-	111.30
Mrs. Poonam Khushlani	-	90.82
Ms. Sonakshi Khushlani	-	9.57
Mr. Andrew Khushlani	-	9.57
Mr. Rasik Mittal	-	0.75
Issue of Equity Shares under ESOP		
Mr. Rasik Mittal	-	0.08
Sitting Fees		
Mr. Amer Jaleel	0.88	0.20
Mr. Paresh Bambolkar	0.90	-
Mr. Manoj Nakra	0.80	-
Mrs. Ramona Jogeshwar	0.55	-
Professional Fees		
Smart Global Solution and Services	3.12	-
Desire 4 India Private Limited	1.10	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

c. Related party outstanding balances

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in Equity Share Capital		
KAPS Mercantile Private Limited	21.40	21.40
Impairment of Investment in Equity Share Capital		
KAPS Mercantile Private Limited	(21.40)	(21.40)
Trade Receivables		
KAPS Mercantile Private Limited	0.02	0.01
Trade Payables		
Smart Global Solution and Services	0.29	-
Remuneration Payable		
Mr. Kamal Khushlani	10.42	12.25
Mrs. Poonam Khushlani	0.29	0.19
Ms. Sonakshi Khushlani	0.09	0.13
Mr. Andrew Khushlani	0.07	0.10
Mr. Rasik Mittal	1.75	0.71
Mr. Sanjay Kumar Mutha	0.40	-
Provision for share-based payments		
Mr. Rasik Mittal	3.84	3.48
Mr. Sanjay Kumar Mutha	4.78	-
Sitting Fees		
Mr. Amer Jaleel	-	0.05

d. Compensation of key management personnel

The remuneration of directors and other members including relatives of key management personnel during the year was as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short-term benefits	55.72	53.74
Total	**55.72**	**53.74**

Note :

(i) As the liabilities for defined benefit plans are provided on actuarial basis for the Company, the amounts pertaining to Key Managerial Personnel are not included.

40 FINANCIAL INSTRUMENTS

40.1 Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders, benefits to other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of total equity (Refer note 16 and 17) and net debt (Refer note 18 and 15).

The Company's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital, risks associated with each class of capital.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Gearing Ratio

Following is the Company's gearing ratio:

Particulars	As at March 31, 2024	As at March 31, 2023
Debt (Refer note (i))	2,531.79	1,919.14
Less: Cash and bank balances	(16.48)	(81.20)
Net Debt (I)	**2,515.31**	**1,837.94**
Total equity (II)	**3,416.40**	**2,813.58**
Net debt to equity ratio (I/II)	**73.62%**	**65.32%**

Note:

(i) Debt is defined as long-term and short-term borrowing and lease liabilities.

40.2 Categories of financial instruments

	Particulars	As at March 31, 2024	As at March 31, 2023
	Financial assets		
	Measured at amortised cost*		
(a)	Trade receivables	2,122.15	1,372.82
(b)	Cash and cash equivalents	16.48	81.20
(c)	Other bank balances	8.29	7.72
(d)	Other financial assets	243.94	207.13
	Financial liabilities		
	Measured at amortised cost*		
(a)	Borrowings	375.35	100.79
(b)	Lease liabilities	2,156.45	1,818.35
(c)	Trade payables	295.58	424.66
(d)	Other financial liabilities	422.70	378.67

At the end of the reporting period, the carrying amount reflected above represents the Company's maximum exposure to credit risk for such Financial assets.

*The fair values of the above financial assets and liabilities approximate their carrying amounts.

40.3 Financial risk management objectives

Ensuring liquidity is sufficient to meet Company's operational requirements, the Company's management also monitors and manages key financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk.

40.3.1 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. Market risk includes currency risk, interest risk and price risk. There are no material market risk affecting the financial position of the Company.

40.3.1.1 Currency Risk

Currency risk is the risk or uncertainty arising from possible currency movements and their impact on the future cash flows of a business. There are no material currency risk affecting the financial position of the Company.

40.3.1.2 Interest Risk

Interest risk is the risk or uncertainty arising from possible interest rate movements and their impact on the future obligation and cash flow of a business. There are no material interest risk affecting the financial position of the Company.

40.3.1.3 Price Risk

Price risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. There are no material price risk affecting the financial position of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

40.3.1.4 Foreign currency risk management

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows.

Particulars	As at March 31, 2024	As at March 31, 2023
Assets (INR)		
USD	0.06	0.06
HKD	0.00	0.00
SGD	0.00	0.00
Total	**0.06**	**0.06**

Foreign currency sensitivity analysis

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables.

The following table details the Company's sensitivity to a 10% increase and decrease in the ₹ against the relevant outstanding foreign currency denominated monetary items. 10% sensitivity indicates management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where Rupee appreciates 10% against the relevant currency. A negative number below indicates a decrease in profit or equity where the Rupee depreciates 10% against the relevant currency.

Particulars	As at March 31, 2024	As at March 31, 2023
Profit or (loss)		
₹ strengthens by 10%	(0.01)	(0.01)
₹ weakening by 10%	0.01	0.01

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting year does not reflect the exposure during the year.

40.3.2 Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

The concentration of credit risk in relation to trade receivables is high. Credit risk has always been monitored and managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Bank balances are held with reputed and creditworthy banking institutions.

Financial instrument and cash deposit

Credit risk is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

40.3.3 Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Weighted average effective interest rate(%)	Upto 1 year	1 - 5 year	More than 5 years	Total	Carrying Amount
As at March 31, 2024						
Non-Interest bearing						
Trade payables	0.00%	295.58	-	-	295.58	295.58
Other financial liabilities	0.00%	23.72	-	-	23.72	23.72
Variable Interest rate instruments						
Term loans from bank	8.60%	33.24	34.31	-	67.55	67.55
Vehicle loans from others	8.70%	3.14	14.15	-	17.29	17.29
Cash credit from bank	0.00%	90.51	-	-	90.51	90.51
Working capital demand loan	7.90%	200.00	-	-	200.00	200.00
Lease Liabilities	8.34%	501.02	1,640.32	711.14	2,852.48	2,156.44
Fixed Interest rate instruments						
Security Deposit received	7.97%	-	398.98	-	398.98	398.98
Total		**1,147.21**	**2,087.76**	**711.14**	**3,946.11**	**3,250.07**

Particulars	Weighted average effective interest rate(%)	Upto 1 year	1 - 5 year	More than 5 years	Total	Carrying Amount
As at March 31, 2023						
Non-Interest bearing						
Trade payables	0.00%	424.66	-	-	424.66	424.66
Other financial liabilities	0.00%	23.30	-	-	23.30	23.30
Variable Interest rate instruments						
Term loans from bank	7.85%	33.24	67.55	-	100.79	100.79
Lease Liabilities	7.47%	433.79	1,274.67	619.87	2,328.33	1,818.35
Fixed Interest rate instruments						
Security Deposit received	7.58%	-	355.36	-	355.36	355.36
Total		**914.99**	**1,697.58**	**619.87**	**3,232.44**	**2,722.46**

Further table below set out the detail of additional undrawn facility that the Company has at its disposal to further reduce liquidity risk:

Particulars	As at March 31, 2024	As at March 31, 2023
Undrawn cash credit limit	609.49	700.00
Undrawn overdue limit	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

41 RATIOS

Ratio	Formulae	As at March 31, 2024	As at March 31, 2023	Variance	Reasons
Current Ratio					
Numerator	Current Assets	3,666.39	2,876.01	(11.56%)	The variance is on account of utilisation of Cash Credit Facility and Working Capital Demand Loan Facility in current year. Outstanding utilisation amount as at March 31, 2024 is ₹ 326.89 million.
Denominator	Current Liabilities	1,380.53	957.78		
		2.66	3.00		
Debt-Equity Ratio (#)					
Numerator	Borrowings + Lease Liabilities	2,531.79	1,919.14	8.65%	The variance is on account of utilisation of Cash Credit Facility and Working Capital Demand Loan Facility in current year. Outstanding utilisation amount as at March 31, 2024 is ₹ 326.89 million.
Denominator	Shareholder's Equity	3,416.40	2,813.58		
		0.74	0.68		
Debt Service Coverage ratio (#)					
Numerator	Earnings available for debt service	1,454.44	1,486.19	(20.11%)	The variance is on account of 1. Utilisation of Cash Credit Facility and Working Capital Demand Loan Facility in current year. Outstanding utilisation amount as at March 31, 2024 is ₹ 326.89 million. 2. Reduction in profit in CY in comparison with PY.
Denominator	Debt Service	786.10	641.69		
		1.85	2.32		
Return on Equity Ratio*					
Numerator	Net Profits after taxes	591.62	774.53	(36.59%)	The variance is on account of reduction in profit in CY in comparison with PY.
Denominator	Average Shareholder's Equity	3,114.99	2,585.76		
		18.99%	29.95%		
Inventory Turnover Ratio					
Numerator	Revenue from Operations	5,673.32	4,981.82	(14.41%)	The variance is on account of higher inventory in CY in comparison with PY. Goods received for AW season is higher in CY in comparison with PY.
Denominator	Average Inventory	1,191.71	895.70		
		4.76	5.56		
Trade Receivables Turnover Ratio (@)					
Numerator	Revenue from Operations	5,673.32	4,981.82	(15.00%)	The variance is on account of: 1. Higher provision for sales return in CY in comparison with PY. 2. Increase in debtors on account of increased sale in E-Commerce channel.
Denominator	Average Accounts Receivable	1,747.49	1,304.35		
		3.25	3.82		
Trade Payables Turnover Ratio (^)					
Numerator	Total Purchases	2,528.09	2,596.06	6.97%	The variance is not material.
Denominator	Average Trade Payables	360.12	395.58		
		7.02	6.56		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Ratio	Formulae	As at March 31, 2024	As at March 31, 2023	Variance	Reasons
Net Capital Turnover Ratio					
Numerator	Revenue from Operations	5,673.32	4,981.82	(2.57%)	The variance is not material.
Denominator	Average Working Capital	2,102.04	1,798.43		
		2.70	2.77		
Net Profit Ratio (*)					
Numerator	Net Profits after taxes	591.62	774.53	(32.93%)	The variance is on account of reduction in profit in CY in comparison with PY. The reduction is primarily on account of increase in expenses in the current year, other expenses has increase by 361.41 million.
Denominator	Revenue from Operations	5,673.32	4,981.82		
		10.43%	15.55%		
Return on Capital Employed (*)					
Numerator	Earning before interest and taxes	1,029.16	1,214.87	(31.53%)	The variance is on account of reduction in profit in CY in comparison with PY. The reduction is primarily on account of increase in expenses in the current year, other expenses has increase by 361.41 million.
Denominator	Average Capital Employed	5,340.46	4,316.21		
		19.27%	28.15%		
Return on Investment					
Numerator	Earning before interest and taxes	NA	NA		NA
Denominator	Average of Total Investments				

42 OTHER STATUTORY INFORMATION

(a) Title deeds of all immovable properties are held in the name of the Company.

(b) The Company has not revalued its property, plant and equipment (including right-of-use assets) and other intangible assets during the current and previous year.

(c) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions Act, 1988 and the rules made thereunder.)

(d) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 except as disclosed. (Refer note 14(x))

(e) The Company has registered all its charges or satisfaction with Registrar of Companies within the statutory period.

(f) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(g) The Company has not advanced or loaned or invested funds to/in any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding that intermediary shall,

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate beneficiaries)

or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.

(h) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that it will,

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate beneficiaries)

or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(j) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act 1961.

(k) The Company has not entered into any scheme of arrangement which has an accounting impact on current period or previous financial year.

(l) The Company has not traded or invested in Crypto and virtual currency during the reporting periods.

(m) The Company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of layers) Rules, 2017.

43 DIVIDEND

(a) The Company has declared and paid dividend amounting to ₹ NIL for the year ended March 31, 2024. (for the year ended March 31, 2023, ₹ 321.51 million)

(b) The Board of Directors has recommended a final dividend of ₹ 0.50 per share of face value of ₹ 2/- each for the financial year 2023-24, subject to the approval of the Shareholders in the ensuing Annual General Meeting.

44 Ministry of Corporate Affairs (MCA) vide its notification number G.S.R. 206(E) dated 24 March 2021 (amended from time to time) in reference to the proviso to Rule 3 (1) of the Companies (Accounts) Amendment Rules, 2021, introduced the requirement of only using such accounting software with effect from April 01, 2023 which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Institute of Chartered Accountants of India ("ICAI") issued an "Implementation guide on reporting on audit trial under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 edition)" in February 2024 relating to feature of recording audit trail.

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility wherein:

a) in respect of one software (i) the audit trail feature at the application level was not enabled during the period April 01, 2023 to October 01, 2023, such audit trail feature was enabled from October 02, 2023 and operated throughout the rest of the period for all relevant transactions recorded in the software, and (ii) audit trail feature was not enabled at the database level to log direct data changes throughout the year; and

b) in respect of other software for maintenance of records of loyalty points on sales, the audit trail was not enabled.

The Management has adequate internal financial controls over financial reporting which has operated effectively during the year.

45 CODE ON SOCIAL SECURITY

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(Membership No. A15884)

Place: Mumbai
Date: May 30, 2024

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Credo Brands Marketing Limited
(formerly known as Credo Brands Marketing Private Limited)

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of **Credo Brands Marketing Limited** (formerly known as Credo Brands Marketing Private Limited) ("the Holding Company") and its subsidiary, (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Provision for Sales Return** (Refer Note 4.6) The Holding Company sells its products through various channels like distributors, exclusive brand outlets (EBO), e-business etc. As per the accounting policy of the Holding Company, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration the sales returns. The estimate of sales returns depends on contract terms, sales volumes and past history of quantum of returns. In accordance with Ind AS 115, Revenue from contracts with customers, to account for the transfer of products with a right to return, records the revenue for the transferred products and reverses revenue for the products expected to be returned, record a refund liability and an asset, with corresponding adjustment to cost of sales, for its right to recover products from customers on settling the refund liability. The estimate of the expected sale returns involves significant judgment and analysis and the valuation and cut off related to accounting for such obligation and right to return assets is therefore considered a key audit matter.	Principal audit procedure performed included the following: • Assessed the appropriateness of the accounting policy followed by the Holding Company in respect of the accounting for such provision for sales return by comparing the same with the requirements as per Ind AS 115, Revenue from contracts with customers. • Understood the process followed by the Holding Company for estimation of such provision for sales return and the corresponding right to return assets and performed a walkthrough. • Evaluated the design and tested the operating effectiveness of Holding Company's controls to assess the adequacy of provision for sales returns and the corresponding right to return assets. • Evaluated and verified the contract terms for a sample of customer contracts to assess the appropriateness of the provision for sales returns as well as the right of return asset and determine whether the same is in line with terms of the contract. • Evaluated and verified the season-wise sales trend and historic data for sales return to determine the appropriateness of the provision created by the Management. • Evaluated and verified the management estimates and judgements in determining the provision for sales returns and assessed whether the same is consistent with the previous periods and the actual results related to such past estimation. • Recalculated the expected Sales Return provision to assess if the expectation set by the Management is in line with the past trends and calculated accurately. • Tested the valuation of the right to return assets on a sample basis. • Evaluated and verified the appropriateness of the presentation and adequacy of the disclosures made in the consolidated financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Director's report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of subsidiary audited by the other auditor, to the extent it relates to these entity and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from their financial statements audited by the other auditor.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditor and other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 0.45 million as at March 31, 2024, total revenues of Rs. Nil and net cash outflows amounting to Rs. 0.001 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditor on the separate financial statements subsidiary, referred to in the Other Matters section above we report, to the extent applicable that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   b) In our opinion, proper books of account as required by law maintained by the Group, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for not complying with the requirement of audit trail as stated in (i)(vi) below.
   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

      Based on the auditor's reports of subsidiary company, being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
   h) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule

11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The Holding Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements;

Based on the auditor's reports of subsidiary company, it does not have any pending litigations which would impact its financial position.

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

Based on the auditor's reports of subsidiary company, it is not liable to make any payments towards Investor Education and Protection Fund.

iv) a) The respective Managements of the Holding Company and its subsidiary whose financial statements have been audited under the Act, have represented to us and to the other auditor of such subsidiary, to the best of their knowledge and belief, as disclosed in the note 42(g) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities.

b) The respective Managements of the Holding Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us and to the other auditor of such subsidiary, to the best of their knowledge and belief, as disclosed in the note 42(h) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities.

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary, whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) As stated in note 43(b) to the consolidated financial statements, the Board of Directors of the Holding company has proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the ensuing Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable. No dividend has been proposed, declared or paid by the subsidiary whose financial statements have been audited under the Act, where applicable.

vi) Based on our examination, which included test checks, the Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility wherein:

a) in respect of one software the audit trail was not enabled during the period April 1, 2023 to October 1, 2023 and audit trail was not enabled at the database level to log direct data changes throughout the year, and

b) in respect of other software for maintenance of records of loyalty points on sales, the audit trail was not enabled.

Based on the other auditor's report on the subsidiary company incorporated in India, the reporting under the proviso to the Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is not applicable to the said subsidiary company as it is not using any accounting software or package for maintaining its books of accounts.

Independent Auditor's Report (Contd.)

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO report issued by and the information provided by the auditor of the company included in the consolidated financial statements of the Company we report that CARO is applicable only to the Holding Company and to no other company included in the consolidated financial statements. We have not reported any qualifications or adverse remarks in the CARO report of the Holding Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jayesh Parmar
Partner
(Membership No. 103668)
(UDIN: 24106388BKCTWC5329)

Place: Mumbai
Date: May 30, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Credo Brands Marketing Limited (formerly known as Credo Brands Marketing Private Limited) (hereinafter referred to as "the Holding Company") as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on "the internal control with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management

Annexure "A" (Contd.)

override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion to the best of our information and according to the explanations given to us the Holding Company, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jayesh Parmar
Partner
(Membership No. 103668)
(UDIN: 24106388BKCTWC5329)

Place: Mumbai
Date: May 30, 2024

CONSOLIDATED BALANCE SHEET

As at March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

	Particulars	Notes	As at March 31, 2024	As at March 31, 2023
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	5(a)	772.22	615.36
	(b) Right of use assets	5(b)	2,014.98	1,731.27
	(c) Capital work-in-progress	5(c)	8.34	2.08
	(d) Investment Property	6	16.28	16.66
	(e) Other Intangible assets	7	2.25	3.76
	(f) Financial assets			
	(i) Investments	8	-	-
	(ii) Other financial assets	9	157.68	126.83
	(g) Deferred tax assets (net)	10	266.68	202.52
	(h) Non-current tax assets	11	5.49	15.02
	(i) Other non-current assets	12	188.29	154.85
	Total non-current assets		**3,432.21**	**2,868.35**
2	**Current assets**			
	(a) Inventories	13	1,249.39	1,134.03
	(b) Financial assets			
	(i) Trade receivables	14	2,122.41	1,373.11
	(ii) Cash and cash equivalents	15	16.64	81.35
	(iii) Bank Balance other than (ii) above	15	8.29	7.72
	(iv) Other financial assets	9	86.26	80.31
	(c) Other current assets	12	183.82	199.93
	Total current assets		**3,666.81**	**2,876.45**
	Total assets		**7,099.02**	**5,744.80**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	16	128.96	32.15
	(b) Other equity	17	3,287.73	2,781.36
	Total equity		**3,416.69**	**2,813.51**
2	**Liabilities**			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18	48.46	67.55
	(ii) Lease liabilities	5(b)	1,814.16	1,512.41
	(iii) Other financial liabilities	19	398.98	355.36
	(b) Provisions	20	40.19	38.16
	Total non-current liabilities		**2,301.79**	**1,973.48**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18	326.89	33.24
	(ii) Lease Liabilities	5(b)	342.28	305.94
	(iii) Trade payables	22		
	Total outstanding dues of micro enterprises and small enterprises		94.09	118.26
	Total outstanding dues of creditors other than micro enterprises and small enterprises		201.52	306.42
	(iv) Other financial liabilities	19	23.72	23.30
	(b) Provisions	20	48.72	25.83
	(c) Current tax liabilities (net)	23	5.42	-
	(d) Other current liabilities	21	337.90	144.82
	Total current liabilities		**1,380.54**	**957.81**
	Total liabilities		**3,682.33**	**2,931.29**
	Total equity and liabilities		**7,099.02**	**5,744.80**

The accompanying notes form an integral part of the Consolidated Financial Statement — 1-46

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Jayesh Parmar
(Partner)
(Membership No. 106388)

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(Membership No. A 15884)

Place: Mumbai
Date: May 30, 2024

Place: Mumbai
Date: May 30, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Revenue from operations	24	5,673.32	4,981.82
2	Other income	25	46.12	111.40
3	**Total income (1+2)**		**5,719.44**	**5,093.22**
4	**Expenses**			
	(a) Cost of materials consumed	26	167.56	278.47
	(b) Purchases of stock-in-trade	26	2,363.57	2,308.79
	(c) Changes in inventories of finished goods and stock-in-trade	27	(118.40)	(467.85)
	(d) Employee benefits expense	28	315.19	267.63
	(e) Finance costs	29	240.58	177.48
	(f) Depreciation and amortisation expense	30	621.90	534.30
	(g) Other expenses	31	1,340.10	956.28
	Total expenses		**4,930.50**	**4,055.10**
5	**Profit before tax (3-4)**		**788.94**	**1,038.12**
6	**Tax expense**			
	Current tax	32	265.86	309.05
	Short/(Excess) provision of income tax in relation to earlier years		(4.88)	(1.42)
	Deferred Tax charge/(credit)	10	(64.02)	(44.65)
	Total tax expense		**196.96**	**262.98**
7	**Profit for the year (5-6)**		**591.98**	**775.14**
8	**Other comprehensive income**			
	A **Items that will not be reclassified to profit or loss**			
	Re-measurement gain/(loss) on defined benefit liability		(0.55)	0.13
	Tax related to above item		0.14	(0.03)
			(0.41)	0.10
	Total other comprehensive income for the year (net of tax)		**(0.41)**	**0.10**
9	**Total comprehensive income for the year (7+8)**		**591.57**	**775.24**
	Earnings per share face value of ₹2 each fully paid up			
	Basic earnings per share (in ₹)	35	9.20	12.06
	Diluted earnings per share (in ₹)	35	9.20	12.06

The accompanying notes form an integral part of the Consolidated Financial Statement — 1-46

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Jayesh Parmar
(Partner)
(Membership No. 106388)

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(Membership No. A 15884)

Place: Mumbai
Date: May 30, 2024

Place: Mumbai
Date: May 30, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(A) EQUITY SHARE CAPITAL

	No. of shares	Amount
Balance as at April 01, 2022	**3,192,037**	**31.92**
Changes in equity share capital:		
Issue of Shares	23,057	0.23
Balance as at March 31, 2023	**3,215,094**	**32.15**
Changes in equity share capital:		
Issue of Shares	179,340	0.36
Issue of Bonus shares	9,645,282	96.45
Split of shares	51,441,504	-
Balance as at March 31, 2024	**64,481,220**	**128.96**

(B) OTHER EQUITY

Particulars	Reserve and surplus			
	Securities premium	Retained earnings	Share option outstanding account	Total
Balance as at April 1, 2022	**147.85**	**2,159.47**	**18.02**	**2,325.34**
Recognition of share based payments	-	-	2.29	2.29
Transfer in respect to share option exercised during the year	11.29	-	(11.29)	-
Payment of dividends (Refer note 43(a))	-	(321.51)	-	(321.51)
Profit for the year	-	775.14	-	775.14
Re-measurement of defined benefit plan (net of tax)	-	0.10	-	0.10
Balance as at March 31, 2023	**159.14**	**2,613.20**	**9.02**	**2,781.36**
Recognition of share based payments	-	-	5.99	5.99
Additions during the year	5.26	-	-	5.26
Transfer in respect to share option exercised during the year	0.75	-	(0.75)	-
Profit for the year	-	591.98	-	591.98
Utilisation on issue of Bonus Shares	(96.45)	-	-	(96.45)
Re-measurement of defined benefit plan (net of tax)	-	(0.41)	-	(0.41)
Balance as at March 31, 2024	**68.70**	**3,204.77**	**14.26**	**3,287.73**

The accompanying notes form an integral part of the Consolidated Financial Statement 1-46

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Jayesh Parmar
(Partner)
(Membership No. 106388)

Place: Mumbai
Date: May 30, 2024

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(Membership No. A 15884)

Place: Mumbai
Date: May 30, 2024

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	788.94	1,038.12
	Adjustments for :		
	Depreciation and amortisation expenses	621.90	534.30
	Interest income on financial assets	(13.81)	(22.50)
	Rental income on investment property	(4.46)	(4.25)
	Finance cost	212.95	146.21
	Loss on property, plant and equipment sold / scrapped / written off	5.82	4.05
	Allowance for expected credit loss and doubtful deposits	8.10	10.84
	Gain on termination of leases (Net)	(5.39)	-
	Impairment on Investment in Subsidiary	-	-
	Share based payments to employees	5.99	2.29
	Bad debts written off	0.37	0.23
	Security deposits written off	-	4.88
	Sundry balances written back	-	(3.00)
	Excess Provision written back	-	(29.25)
	Covid-19 related rent concessions	-	(3.58)
	Operating cash flows before working capital changes	**1,620.41**	**1,678.34**
	Working capital adjustments :		
	Adjustment for (Increase) / Decrease in Operating Assets:		
	(Increase) / Decrease in inventories	(115.36)	(476.65)
	(Increase) / Decrease in trade receivables	(757.05)	(117.63)
	(Increase) / Decrease in other financial assets	(24.33)	(14.31)
	(Increase) / Decrease in other current assets	16.11	(124.13)
	(Increase) / Decrease in non-current assets	(37.63)	(40.25)
	Adjustment for Increase / (Decrease) in Operating Liabilities:		
	Increase / (Decrease) in trade payables	(129.07)	58.92
	Increase / (Decrease) in other current liabilities	201.23	31.63
	Increase / (Decrease) in other financial liabilities	10.03	23.45
	Increase / (Decrease) in provisions	24.36	12.75
	Cash generated from operations	**808.70**	**1,032.12**
	Less: Income tax paid (net)	(246.07)	(308.02)
	Net cash generated from operating activities (A)	**562.63**	**724.10**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(359.28)	(341.48)
	Purchase of other intangible assets	-	(3.06)
	Proceeds from Sale of property, plant and equipment and other intangible assets	5.13	0.53
	Investment made in Subsidiary	-	-
	In demand deposit accounts - Having maturity more than 3 months - matured	4.11	139.74
	Interest income on financial assets	0.03	9.17
	Rental income on investment property	4.46	4.25
	Net cash used in investing activities (B)	**(345.55)**	**(190.85)**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from Long term borrowings	18.25	-
	Repayment of Long term borrowings	(34.20)	(33.85)
	Proceeds from / (Repayment of) Short term borrowings (net)	290.51	-
	Repayment of Short term borrowings	-	-
	Proceeds from issue of shares under employee stock options scheme	5.62	0.23
	Repayment of lease liabilities	(511.32)	(432.62)
	Interest paid	(46.54)	(30.96)
	Dividend paid	-	(321.51)
	Net cash used in financing activities (C)	**(277.68)**	**(818.71)**
	Net decrease in cash and cash equivalents (A)+(B)+(C)	**(60.60)**	**(285.46)**
	Cash and cash equivalent at the beginning of the year	77.24	362.70
	Cash and cash equivalents at the end of the year	**16.64**	**77.24**
	Cash and cash equivalents as above comprises of the following		
	Cash in hand	7.75	4.61
	Balances with bank - in current accounts	8.89	72.63
	Total cash and cash equivalents (Refer note 15)	**16.64**	**77.24**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2024 (Contd.)

(All amounts in ₹ million, unless otherwise stated)

Notes:

Reconciliation of liabilities from financing activities for the year ended March 31, 2024

Particulars	Opening Balance	Additions of Lease Liabilities	Proceeds	Repayment	Closing Balance
Borrowings	100.79	-	308.76	(34.20)	375.35
Lease liabilities	1,818.35	849.41	-	(511.32)	2156.44
Total liabilities from financing activities	**1,919.14**	**849.41**	**308.76**	**(545.52)**	**2531.79**

Reconciliation of liabilities from financing activities for the year ended March 31, 2023

Particulars	Opening Balance	Additions of Lease Liabilities	Proceeds	Repayment	Closing Balance
Borrowings	134.64	-	-	(33.85)	100.79
Lease liabilities	1,407.84	843.13	-	(432.62)	1,818.35
Total liabilities from financing activities	**1,542.48**	**843.13**	**-**	**(466.47)**	**1,919.14**

The accompanying notes form an integral part of the Consolidated Financial Statement

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Jayesh Parmar
(Partner)
(Membership No. 106388)

Place: Mumbai
Date: May 30, 2024

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(Membership No. A 15884)

Place: Mumbai
Date: May 30, 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

1 CORPORATE INFORMATION

CREDO BRANDS MARKETING LIMITED (Formerly known as CREDO BRANDS MARKETING PRIVATE LIMITED) (the 'Holding Company' / 'Company') is a public limited company domiciled and incorporated in India under the Companies Act, 2013 vide CIN: U18101MH1999PTC119669 and incorporated on April 29, 1999. The Company is a public limited company w.e.f. May 11, 2023 with new CIN: L18101MH1999PLC119669. The registered office of the Company is located at B-8, MIDC Central Road, Marol, Next to MIDC Police Station, Andheri (E), Mumbai - 400093.

CREDO BRANDS MARKETING LIMITED (Formerly known as CREDO BRANDS MARKETING PRIVATE LIMITED) is mainly engaged in the business of selling of fashion casual garments and accessories under the brand name MUFTI. A fresh certificate of incorporation consequent to the conversion of Private to Public Company was issued by the Registrar of Companies Mumbai on May 11, 2023 under section 18 of the Companies Act, 2013 to give effect of conversion.

The Company has completed its Initial Public Offer ("IPO") of 19,634,960 equity shares of face value of ₹ 2 each at an Issue price of ₹ 280/- per share (Including share premium of ₹ 278/- per share), comprising offer for sale of 19,634,960 equity shares by Selling Shareholders aggregating to ₹ 5,497.79 million. Pursuant to the IPO, the equity shares of the Company were listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") effective December 27, 2023.

The financial statements for the year ended March 31, 2024 were approved for issue by the Company's Board of Directors on May 30, 2024.

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation, Presentation and Measurement

The Consolidated Financial Statements of the Company and its subsidiary (collectively the "Group") comprises the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of material accounting policies and other explanatory information (together referred to as the "Consolidated Financial Statements").

The Consolidated Financial Statements of the Group are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Consolidated Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

The Consolidated Financial Statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within a twelvemonth period from the balance sheet date.

As explained in Note 2.1.1 to the Consolidated Financial Statements, the Company acquired KAPS Mercantile Private Limited ("the subsidiary") on April 28, 2022, The aforesaid acquisition is a common control transaction in accordance with Ind AS 103 "Business Combination".

The Consolidated Financial Statements are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off to the nearest million, unless otherwise stated.

2.1.1 Basis of Consolidation:

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party both before and after the business combination, and that control is not transitory.

The Company accounts for its business combination under common control using pooling of interest method of accounting as per Appendix C of Ind AS 103. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the definition for recognition are recognised at their carrying amount at the acquisition date. Transferor's reserves are preserved and are appeared in the financial statements of the transferee in the same form in which they appear in the financial statements of the transferor. Acquisition date is the beginning of the preceding period in case the common control is established prior to such date. However, if business combination had occurred after such date, the acquisition date is considered only from that date.

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the year in which it is incurred.

2.1.2 Principles of Consolidation:

The Consolidated Financial Statement have been prepared on the following basis:

(a) The Consolidated Financial Statement of the Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

(b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.

(c) The Consolidated Financial Statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(d) The carrying amount of the Company's investments in each subsidiary is off set (eliminated) against the Company's portion of equity in the subsidiary.

The management of the Company performed assessment in relation to above matters and have made necessary adjustments to the underlying financial information of the Group for the purpose of preparation of these Consolidated Financial Statement.

2.2 Functional and Presentation Currency

The Consolidated Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian rupee (₹), which is also the Group's functional currency. All amounts have been rounded-off to the nearest million, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than ₹ 5,000 have been rounded and are presented as ₹ 0.00 million in the Consolidated Financial Statements.

2.3 Current and non-current classification

The Group presents assets and liabilities in the Consolidated Balance Sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of service and the time between rendering of services and their realisation in cash and cash equivalents, 12 months has been considered by the Group for the purpose of current / non-current classification of assets and liabilities.

2.4 Property, Plant & Equipment

Property plant and equipment are stated at their cost of acquisition, less accumulated depreciation/ amortisation and impairment loss. Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling / decommissioning of the asset. Parts (major components) of an item of Property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Balance Sheet Date. Advances paid towards the acquisition of PPE outstanding at each reporting date is classified as Capital Advances under "Other Non-Current Assets" and assets which are not ready for intended use as on the reporting date are disclosed as "Capital Work in Progress".

2.4.1 Depreciation method, estimated useful lives and residual value

Depreciation on the property, plant and equipment (other than capital work in progress) is provided on a straight line method over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013. The estimated useful lives are as under:

Plant and machinery	15 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Leasehold improvements are amortised on a straight line basis over lease term or 5 years whichever is less.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

2.4.2 Derecognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Profit or Loss when the asset is de-recognised.

2.5 Intangible assets and amortisation

2.5.1 Recognition and measurement

Intangible assets that are acquired by the Group are stated at cost of acquisition less amortisation and impairment losses, if any. Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use. Intangible assets are recognised only if it is probable that the future economic benefits attributable to asset will flow to the Group and the cost of asset can be measured reliably. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the reporting period.

2.5.2 Amortisation and useful lives

Intangible assets with finite lives comprise of trademarks/ brand and software, are amortised over the period of 5 years and 3 years respectively on straight-line basis. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.

2.5.3 Derecognition policy

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

2.6 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

2.7 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

Depreciation is recognised so as to write-off the cost less residual value over the estimated useful life of 60 years, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn form use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss in the period in which the property is derecognised.

2.8 Leases

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. The determination of whether a contract is (or contains) a lease is based on the substance of the contract at the inception of the lease. The contract is, or contains, a lease if the contract provide lessee, the right to control the use of an identified asset for a period of time in exchange for consideration. A lessee does not have the right to use an identified asset if, at inception of the contract, a lessor has a substantive right to substitute the asset throughout the period of use.

The Group accounts for the lease arrangement as follows:

(i) Where the Group is the lessee

Right of Use Asset

The Group applies single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. On the commencement of the lease, the Group, in its Consolidated Balance Sheet, recognised the right of use asset at cost and lease liability at present value of the lease payments to be made over the lease term.

Subsequently, the right of use asset is measured at cost less accumulated depreciation [calculated on straight line method] and any accumulated impairment loss. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

Asset category	Lease Term
Lease hold premises	3 to 9 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.6 on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The lease payment made, are apportioned between the finance charge and the reduction of lease liability, and are recognised as expense in the Consolidated Statements of profit and loss.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Lease deposits given are a financial asset and are measured at amortised cost under Ind AS 109 since it satisfies Solely Payment of Principal and Interest (SPPI) condition. The difference between the present value and the nominal value of deposit is considered as Right of Use Asset and depreciated over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Unwinding of discount is treated as finance income and recognised in the Consolidated Statements of profit and loss.

(ii) Where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Lease deposits received are financial instruments (financial liability) and are measured at fair value on initial recognition. The difference between the fair value and the nominal value of deposits is considered as rent in advance and recognised over the lease term on a straight line basis. Unwinding of discount is treated as interest expense (finance cost) for deposits received and is accrued as per the EIR method.

2.9 Inventories

Inventories of raw material, finished good and stock-in-trade are valued at the lower of cost (on First-in-First out basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including and other levies, transit insurance and receiving charges. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Provisions and contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Financial assets

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.13.1 Classification of financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL), and
- those measured at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit or Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through Other Comprehensive Income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.13.2 Subsequent Measurement

Financial assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVOCI. All equity investments are measured at fair value through other comprehensive income, except for investments in subsidiary/associate which is measured at cost. Changes in the fair value of financial assets are recognised in Statement of Other Comprehensive Income. In those cases, there is no subsequent reclassification of fair value gains and losses to Statement of profit and loss.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on such financial assets that are subsequently measured at FVTPL and is recognised and presented net in the Statement of profit and loss within other income in the period in which it arises.

2.13.3 Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

(b) Trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For other financial assets carried at amortised cost the Group assesses, on a forward looking basis, the expected credit losses associated with such assets and recognises the same in profit or loss.

2.13.4 Derecognition of financial assets

The Group derecognises a financial asset when the contractual right to the cash flows from the financial asset expire or it transfers substantially all risk and rewards of ownership of the financial asset. A gain or loss on such financial assets that are subsequently measured at amortised cost is recognised in the Statement of Profit or Loss when the asset is derecognised.

2.14 Financial liabilities and equity instruments

2.14.1 Classification of debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

2.15 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL (fair value through profit or loss).

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and Commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.15.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables). All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2.15.2 Subsequent Measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost

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using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to interest-bearing loans and borrowings.

2.15.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.15.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.16 Cash and cash equivalents

Cash and cash equivalents includes cash and cheques on hand, current accounts and fixed deposits accounts with banks with original maturities of three months or less that are readily convertible to known amounts of cash (other than on lien) and which are subject to an insignificant risk of changes in value and book overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.16.1 Statements of cash flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 – Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the Consolidated Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy. Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.18 Revenue recognition

The Group's revenue majorly represents revenue from sale of garments. The Group sells garments through own stores and through business partners such as distributors, franchisees, large format stores and E-Commerce.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

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2.18.1 Sale of goods

The Group derives revenue from sale of goods and revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration the Group expects to receive in exchange for those goods. To recognise revenues, the Group applies the following five step approach:

(1) identify the contract with a customer,

(2) identify the performance obligations in the contract,

(3) determine the transaction price,

(4) allocate the transaction price to the performance obligations in the contract, and

(5) recognise revenues when a performance obligation is satisfied.

The Group has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Group has concluded that certain arrangements with its business partner, where the Group has an unconditional obligation relating to unsold inventory, are on principal to agent basis and for other cases the Group has concluded that its arrangements with business partners are on principal to principal.

The transfer of control of promised goods as above, generally coincides with the delivery of goods to customers.

- For business partner acting as principal, revenue is recognised upon sale to business partner.
- For business partner acting as agent, revenue is recognised once goods are sold by business partner to end customers.

Sales are recognised, net of returns and trade discounts, rebates, and Goods and Services Tax (GST).

Under the Group's standard contract terms, customers have a right of return goods as per Group's policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return; consequently, the Group recognises a right-to-returned-goods asset and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

The Group operates a loyalty programme through which retail customers accumulate points on purchases of apparels that entitle them to discounts on future purchases. These points provide a discount to customers that they would not receive without purchasing the apparels (i.e. it is a material right). The promise to provide the discount to the customer is therefore a separate performance obligation. The transaction price is allocated between the sale of apparels and the rights related to the loyalty points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the discount to be given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the Company's historical experience. A contract liability is recognised for revenue relating to the loyalty points at the time of the initial sales transaction. Revenue from the loyalty points is recognised when the points are redeemed by the customer. Revenue for points that are not expected to be redeemed is recognised in proportion to the pattern of rights exercised by customers.

2.18.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.18.3 Other income

Other incomes are accounted on accrual basis and except interest on delayed payment by debtors which are accounted on acceptance of the Group's claim.

2.19 Foreign currency Transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss and reported within foreign exchange gains / (losses).

2.20 Employee benefits

Group's Employee benefit obligations include Short-term obligations and Post-employment obligations which includes gratuity plan and contributions to provident fund.

2.20.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service which are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2.20.2 Compensated absences

Compensated absences in form of earned leave are expected to be utilised wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the undiscounted value at the end of the reporting period.

2.20.3 Post-employment obligations

Defined benefit plans

The Group has defined benefit plan namely gratuity, which is unfunded. The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The defined contribution plan is a post-employment benefit plan under which the Group contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Labour Welfare Fund, Employee State Insurance Scheme and Employee Pension Scheme. The Group's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

2.21 Share-based payment to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note No. 37.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.22 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

2.22.1 Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates applicable for the respective period.

2.22.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and their tax bases. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.22.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.24 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Group by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Group as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3 RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

4 USE OF ESTIMATES AND CRITICAL ACCOUNTING JUDGEMENTS

The preparation of Financial Information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Information are disclosed below.

4.1 Property, plant and equipment and Intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology etc.

4.2 Leases

The Group determines the lease term in accordance with Ind AS 116 which requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations.

4.3 Inventories

The Group considers year and seasonality to which inventory pertains for determining net realisable value for old inventories. Such old inventories are further marked down to its estimated realisable value based on amount which the Group has been able to realise on sale of old inventory around the period end. The management applies judgement in determining the appropriate provisions for slow moving and/ or obsolete stock, based on the analysis of old season inventories, past experience, current trend and future expectations for these inventories, depending upon the category of goods.

4.4 Employee benefits

The cost of the defined benefit plan is determined using actuarial valuations using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of discount rates, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its nature, a defined benefit is highly sensitive to change in these assumptions. All assumptions are reviewed at each reporting period.

4.5 Share-based payments to employees

The fair value of share-based payments to employees determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The fair value of stock options at the grant date are determined by an independent valuer using assumptions and method determined by the Group.

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

4.6 Provision for sales return

The Group provides for sales return based on season wise trend of previous years. The Group reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

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5(A) PROPERTY, PLANT AND EQUIPMENT

	Particulars	Office Equipment	Computers	Leasehold Improvement	Furniture & Fixtures	Vehicles	Plant & Equipment	Total
I.	**Gross Carrying Value**							
	Balance as on April 01, 2022	49.39	10.46	299.16	139.23	14.43	10.01	**522.68**
	Additions	46.27	10.02	166.37	121.07	14.72	4.82	**363.27**
	Disposals / adjustments	(1.22)	(0.01)	(8.19)	(0.02)	-	(0.07)	**(9.51)**
	Balance as on March 31, 2023	94.44	20.47	457.34	260.28	29.15	14.76	**876.44**
	Additions	51.02	6.81	171.54	97.45	21.51	0.50	**348.83**
	Disposals / adjustments	(7.31)	(1.85)	(70.05)	(1.57)	(9.10)	(0.20)	**(90.08)**
	Balance as on March 31, 2024	**138.15**	**25.43**	**558.83**	**356.16**	**41.56**	**15.06**	**1,135.19**
II.	**Accumulated Depreciation**							
	Balance as on April 01, 2022	13.04	6.37	61.31	35.14	3.05	0.93	**119.84**
	Depreciation expense	16.96	3.60	83.96	35.91	4.60	1.13	**146.16**
	Disposals / adjustments	(0.75)	(0.01)	(4.14)	(0.01)	-	(0.01)	**(4.92)**
	Balance as on March 31, 2023	29.25	9.96	141.13	71.04	7.65	2.05	**261.08**
	Depreciation expense	25.66	5.66	99.47	43.85	5.02	1.37	**181.03**
	Disposals / adjustments	(6.73)	(1.82)	(63.08)	(0.71)	(6.74)	(0.06)	**(79.14)**
	Balance as on March 31, 2024	**48.18**	**13.80**	**177.52**	**114.18**	**5.93**	**3.36**	**362.97**
III.	**Net Carrying Value (I-II)**							
	Balance as on March 31, 2023	**65.19**	**10.51**	**316.21**	**189.24**	**21.50**	**12.71**	**615.36**
	Balance as on March 31, 2024	**89.97**	**11.63**	**381.31**	**241.98**	**35.63**	**11.70**	**772.22**

Notes:

(i) The Group has elected to continue with the carrying value of its property, plant and equipment as on the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(ii) Property, plant and equipment (excluding vehicles) have been pledged against secured term loan and cash credit facility (Refer note 18)

5(B) RIGHT OF USE ASSETS

	Particulars	As at March 31, 2024	As at March 31, 2023
I.	**Gross Carrying Value**		
	Opening gross carrying amount	2,452.92	1,705.81
	Additions	768.33	747.11
	Deletions	(286.45)	-
	Closing gross carrying value	**2,934.80**	**2,452.92**
II.	**Accumulated Depreciation**		
	Opening accumulated depreciation	721.65	334.56
	Depreciation expense	439.00	387.09
	Deletions	(240.83)	-
	Closing accumulated depreciation	**919.82**	**721.65**
III.	**Net Carrying Value**	**2,014.98**	**1,731.27**

The right of use assets comprise of buildings taken on lease. The Group has used a single discount rate to a portfolio of leases with similar characteristic.

(i) The following is the break-up of current and non-current lease liabilities :

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liability	342.28	305.94
Non Current lease liability	1,814.16	1,512.41
Total	**2,156.44**	**1,818.35**

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(ii) The following is the movement in lease liabilities during the year :

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	1,818.35	1,407.84
Additions/modifications	733.09	727.88
Deletions	(49.36)	-
Finance cost on lease liabilities (Refer note 29)	165.68	115.25
Lease rentals paid	(511.32)	(432.62)
Balance as at the end of the year	**2,156.44**	**1,818.35**

(iii) Details of contractual maturities of lease liabilities on an undiscounted basis :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Less than one year	501.02	433.79
One to five years	1,640.32	1,274.67
More than five years	711.14	619.87
Total	**2,852.48**	**2,328.33**

The Group does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the lease liabilities as and when they fall due.

(iv) Impact on statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on lease liabilities	165.68	115.25
Depreciation on right of use assets	439.00	387.09
Expenses relating to short-term leases	3.80	0.53
Expenses relating to variable leases	58.22	37.95
Expenses relating to low value leases	2.41	1.85
Others	-	3.08

(v) Covid-19-Related Rent Concessions

The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the Covid-19 pandemic. Many lessors have provided rent concessions to lessees as a result of the Covid-19 pandemic. Rent concessions can include rent holidays or rent reductions for a period of time. Applying the requirements in Ind AS 116 for changes to lease payments, particularly assessing whether the rent concessions are lease modifications and applying the required accounting, could be practically difficult in the current environment. The objective of the amendment is to provide lessees that have been granted Covid-19 related rent concessions with practical relief, while still providing useful information about leases to users of the financial statements.

As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all of the following conditions are met:

(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

(ii) any reduction in lease payments affect only payments originally due on or before June 30, 2022.

(iii) There is no substantive change to other terms and conditions of the lease.

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19 - Related Rent Concessions" effective from the period beginning on or after April 01, 2020 and vide notification dated June 18, 2021, extended practical expedient upto June 30, 2022. The Company has accounted the unconditional rent concessions of ₹ NIL for the year ended March 31, 2024 (for the year ended March 31, 2023: ₹ 3.58 million). The same has been accounted as a Rental Income in the Consolidated Statement of Profit and Loss.

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5(C) CAPITAL WORK IN PROGRESS

Particulars	Leasehold Improvement	Total
Balance as on April 01, 2022	**5.58**	**5.58**
Additions	2.08	**2.08**
Transfer to Property, plant and equipment	(5.58)	**(5.58)**
Balance as on March 31, 2023	**2.08**	**2.08**
Additions	8.34	**8.34**
Transfer to Property, plant and equipment	(2.08)	**(2.08)**
Balance as on March 31, 2024	**8.34**	**8.34**

Capital work-in-progress ageing schedule for the year ended March 31, 2024 is as follows

Particulars	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8.34	-	-	-	8.34
Total	**8.34**	**-**	**-**	**-**	**8.34**

Capital work-in-progress ageing schedule for the year ended March 31, 2023 is as follows

Particulars	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.08	-	-	-	2.08
Total	**2.08**	**-**	**-**	**-**	**2.08**

Note:

There is no capital work in progress pertaining to projects as of March 31, 2024 and March 31, 2023 whose completion is overdue or has exceeded it's cost compared to original plan.

6 INVESTMENT PROPERTY

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying value		
Opening gross carrying amount	17.42	17.42
Additions	-	-
Deletion	-	-
Closing gross carrying value	**17.42**	**17.42**
Accumulated depreciation		
Opening accumulated depreciation	0.76	0.38
Depreciation charge (Refer note 30)	0.38	0.38
Closing accumulated depreciation	**1.14**	**0.76**
Net carrying value	**16.28**	**16.66**

(i) Amounts recognised in Statement of Profit and Loss for investment properties

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rental income (Refer note 25)	4.46	4.25
Direct operating expenses from property that generated rental income	(0.81)	(0.16)
Profit/(Loss) from investment properties before depreciation	**3.65**	**4.09**
Depreciation charge (Refer note 30)	(0.38)	(0.38)
Profit/(Loss) from investment properties	**3.27**	**3.71**

(ii) There is no immovable property which is not held in the name of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in ₹ million, unless otherwise stated)

(iii) Investment property includes ₹ 3,250/- being the value of sixty five shares of ₹ 50 each in Tex Centre Premises Co-operative Society Limited.

(iv) Details of rental income receivable on an undiscounted basis:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	4.69	4.46
One to five years	6.42	11.11
More than five years	-	-
	11.11	**15.57**

(v) The fair value of investment properties of ₹ 147.50 million as at March 31, 2023 has been arrived at on the basis of valuations carried out at that date by 'Yardi Prabhu Consultants & Valuers Private Limited', an accredited independent valuer. They specialise in valuing these types of investment properties and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

Description of valuation techniques used and key inputs to valuation on investment properties:

Investment properties Valuation	Technique
Building	Selling Price method based on recent market prices

7 OTHER INTANGIBLE ASSETS

	Particulars	Trade Mark & Brands	Software	Total
I.	**Gross Carrying Value**			
	Balance as on April 1, 2022	**1.92**	**0.07**	**1.99**
	Additions	0.03	3.02	**3.05**
	Disposals / adjustments	-	-	**-**
	Balance as on March 31, 2023	**1.95**	**3.09**	**5.04**
	Additions	-	-	**-**
	Disposals / adjustments	(0.01)	-	**(0.01)**
	Balance as on March 31, 2024	**1.94**	**3.09**	**5.03**
II.	**Accumulated Amortisation**			
	Balance as on April 01, 2022	**0.54**	**0.07**	**0.61**
	Amortisation expense	0.52	0.15	**0.67**
	Disposals / adjustments	-	-	**-**
	Balance as on March 31, 2023	**1.06**	**0.22**	**1.28**
	Amortisation expense	0.50	1.01	**1.51**
	Disposals / adjustments	(0.01)	-	**(0.01)**
	Balance as on March 31, 2024	**1.55**	**1.23**	**2.78**
III.	**Net Carrying Value (I-II)**			
	Balance as on March 31, 2023	**0.89**	**2.87**	**3.76**
	Balance as on March 31, 2024	**0.39**	**1.86**	**2.25**

Notes:

(i) The Group has elected to continue with the carrying value of its Intangible Assets as on the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

8 NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2024		As at March 31, 2023	
	Units	Amount	Units	Amount
Investments in Equity Instruments				
Total	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in ₹ million, unless otherwise stated)

9 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Non-current		
Security deposits paid	157.68	126.83
(Unsecured, considered doubtful)		
Non-current		
Security deposits paid	9.89	9.15
Less: Allowance for doubtful security deposit	(9.89)	(9.15)
	-	-
Total	**157.68**	**126.83**
(Unsecured, considered good)		
Current		
(a) Security deposits paid	86.06	80.14
(b) Accrued interest on bank deposits	0.20	0.17
Total	**86.26**	**80.31**

10 DEFERRED TAX ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets (a)	776.96	642.59
Deferred tax liabilities (b)	(510.28)	(440.07)
Deferred tax assets (net) (a-b)	**266.68**	**202.52**

Deferred tax assets / (liabilities) in relation to:

	Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	As at March 31 2024				
i)	**Deferred tax assets in relation to:**				
	Property, plant and equipment	101.55	11.54	-	113.09
	Other Intangible assets	-	0.01	-	0.01
	Leases (net)	457.65	85.09	-	542.74
	Security deposits paid	13.11	3.26	-	16.37
	Employee benefits	15.01	2.51	0.14	17.66
	Doubtful debts	23.46	2.04	-	25.50
	Loyalty points	4.67	4.80	-	9.47
	Revenue reversal - goods sold on sale or return basis	26.01	24.93	-	50.94
	GST Input Tax Credit	1.13	(0.31)	-	0.82
	Trade Payable - MSME	-	0.36	-	0.36
	Total	**642.59**	**134.23**	**0.14**	**776.96**
ii)	**Deferred tax liabilities in relation to:**				
	Other Intangible assets	0.04	(0.04)	-	-
	Investment property	3.14	0.01	-	3.15
	Leases (net)	424.33	69.64	-	493.97
	Security deposits paid	12.56	0.60	-	13.16
	Total	**440.07**	**70.21**	**-**	**510.28**
	Deferred tax assets (net)	**202.52**	**64.02**	**0.14**	**266.68**

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As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

	Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	As at March 31 2023				
i)	**Deferred tax assets in relation to:**				
	Property, plant and equipment	92.35	9.20	-	101.55
	Leases (net)	354.33	103.32	-	457.65
	Security deposits paid	11.40	1.71	-	13.11
	Employee benefits	14.87	0.17	(0.03)	15.01
	Doubtful debts	28.09	(4.63)	-	23.46
	Loyalty points	3.21	1.46	-	4.67
	Revenue reversal - goods sold on sale or return basis	3.32	22.69	-	26.01
	GST Input Tax Credit	-	1.13	-	1.13
	Total	**507.57**	**135.05**	**(0.03)**	**642.59**
ii)	**Deferred tax liabilities in relation to:**				
	Other Intangible assets	0.01	0.03	-	0.04
	Investment property	3.12	0.02	-	3.14
	Leases (net)	335.46	88.87	-	424.33
	Security deposits paid	11.08	1.48	-	12.56
	Total	**349.67**	**90.40**	**-**	**440.07**
	Deferred tax assets (net)	**157.90**	**44.65**	**(0.03)**	**202.52**

Note:

The Group has recognised deferred tax assets (net) amounting to ₹ 266.68 million as at March 31, 2024 (As at March 31, 2023 : ₹ 202.52 million), consistent with applicable Indian Accounting Standard as it is considered probable that future taxable profits will be available.

11 NON-CURRENT TAX ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Income Tax Assets (net of provision for tax)	5.49	15.02
Total	**5.49**	**15.02**

12 OTHER ASSETS

(Unsecured, considered good)

	Particulars	As at March 31, 2024	As at March 31, 2023
	Non-current		
(a)	Capital advances	4.90	1.00
(b)	Balance with government authorities (Goods and Services tax input receivable)	176.26	149.17
(c)	Prepayments	1.35	0.09
(d)	Prepayments - Security deposits	5.78	4.59
	Total	**188.29**	**154.85**
	Current		
(a)	Advances to employees	4.73	2.47
(b)	Prepayments	7.09	92.19
(c)	Prepayments - Security deposits	0.01	0.06
(d)	Advances to suppliers	12.39	10.55
(e)	Right to return good assets (Refer note (i) below)	128.60	80.23
(f)	Other advances (Refer note (iii) below)	31.00	14.43
	Total	**183.82**	**199.93**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Note:

(i) The right to return goods asset represents the Group's right to recover products from customers where customers exercise their right of return under the Group's returns policy. The Group uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method.

(ii) Other assets have been pledged against secured term loan and cash credit facility (Refer note 18)

(iii) The Company has incurred, expenses amounting to ₹ 343 million in connection with initial public offer of equity shares of the Company. In accordance with the Companies Act, 2013 (the Act), the Company has fully recovered the aforesaid expenses from the selling shareholders. As at March 31, 2024 balance of ₹ 31 million are lying in the escrow account.

13 INVENTORIES

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	57.67	57.80
Raw materials - In Transit	0.00	2.91
Finished goods	1,185.72	1,003.72
Finished goods - In Transit	6.00	69.60
Total	**1,249.39**	**1,134.03**

(i) The cost of inventories recognised as an expense is ₹ 2,412.73 million for the year ended March 31, 2024 (for the year ended March 31, 2023 ₹ 2,119.41 million).

(ii) The cost of inventories recognised as an expense on account of write-down of inventory is ₹ 16.65 million for the year ended March 31, 2024 (for the year ended March 31, 2023 ₹ 25.62 million).

(iii) The mode of valuation of inventory has been stated in note 2.9.

(iv) Inventories have been pledged against secured term loan and cash credit facility (Refer note 18)

14 TRADE RECEIVABLES

Particulars	As at March 31, 2024	As at March 31, 2023
<u>Current</u>		
Unsecured, considered good	2,122.41	1,373.11
Unsecured, considered doubtful	91.41	84.04
	2,213.82	**1,457.14**
Less: Allowance for doubtful debts (expected credit loss allowance)	(91.41)	(84.04)
Total	**2,122.41**	**1,373.11**

Note:

(i) Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance as at the beginning of the year	84.04	103.88
Add: Provided / (Reversal) during the year	7.37	(19.84)
Less: Amount Written off	-	-
Balance as at the end of the year	**91.41**	**84.04**

(ii) Age of receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Less than 180 days	2,002.59	1,231.82
More than 180 days	211.23	225.32
Provided	(91.41)	(84.04)

(iii) Trade receivable ageing:

Outstanding for following periods from date of transaction

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Undisputed Trade Receivables-considered good		
Not due	-	-
Less than 6 months	2,002.57	1,231.82
6 months - 1 year	97.41	135.53
1-2 years	22.43	2.77
2-3 years	-	2.35
More than 3 years	-	0.64
Sub-total	**2,122.41**	**1,373.11**
(b) Undisputed trade receivables which have significant increase in credit risk		
Not due	-	-
Less than 6 months	0.02	-
6 months - 1 year	1.07	0.08
1-2 years	5.66	64.76
2-3 years	8.70	2.04
More than 3 years	75.96	17.16
Sub-total	**91.41**	**84.04**
Less: Allowance for doubtful trade receivables (expected credit loss allowance)	(91.41)	(84.04)
Total	**2,122.41**	**1,373.11**

(iv) The Group recognises allowance for expected credit loss on trade receivables, which are assessed for credit risk on individual basis.

(v) The management has established a credit policy under which customers are analysed for creditworthiness.

(vi) Trade receivables have been pledged against secured term loan and cash credit facility (Refer note 18).

(vii) There were no receivables due from directors or any of the officers of the Group.

(viii) No single customer represents 10% or more of the Group's total revenue for the year ended March 31, 2024 and 2023, respectively.

(ix) Generally, customers remit sales consideration without specifying particular invoices in respect of which such remittances are being made. Hence, such receipts from the customers are adjusted against their trade receivables on First in First out (FIFO) basis. In few cases, where identification is possible, such receipts are adjusted on basis of actual invoice.

(x) There are no disputed trade receivables as at March 31, 2024 and March 31, 2023.

(xi) Relationship with Struck off Companies: The following table depicts the details of balances outstanding in respect of transaction undertaken with a Group struck off under section 248 of the Companies Act, 2013:

Particulars	As at March 31, 2024	As at March 31, 2023
Value Shoppe Private Limited	0.03	-

15 CASH AND CASH EQUIVALENTS

For the purpose of statement of cashflows, cash and cash equivalents includes cash on hand and balance in banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	7.75	4.61
Balance with Banks		
In current accounts	8.89	72.63
In demand deposit accounts		
- Having maturity more than 3 months but less than 12 months	-	4.11
Other bank balances		
In earmarked deposit accounts	8.29	7.72
Total	**24.93**	**89.07**

Note:

Cash and cash equivalents have been pledged against secured term loan and cash credit facility (Refer note 18)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

16 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Authorised share capital				
Equity share capital				
Equity Shares of ₹ 2 each (for the year ended March 31, 2023 ₹ 10 each) with voting rights (Refer note below)	70,000,000	140.00	14,000,000	140.00
Total	**70,000,000**	**140.00**	**14,000,000**	**140.00**
Issued share capital				
Equity Shares of ₹ 2 each (for the year ended March 31, 2023 ₹ 10 each) with voting rights (Refer note below)	64,481,220	128.96	3,215,094	32.15
Total	**64,481,220**	**128.96**	**3,215,094**	**32.15**
Subscribed and Paid-up share capital				
Equity Shares of ₹ 2 each (for the year ended March 31, 2023 ₹ 10 each) with voting rights (Refer note below)	64,481,220	128.96	3,215,094	32.15
Total	**64,481,220**	**128.96**	**3,215,094**	**32.15**

(i) The Authorised Share Capital of the Company of ₹ 50 million (consisting of 5,000,000 equity shares of face value of ₹ 10 each) was increased and subdivided to ₹ 140 million (consisting of 70,000,000 equity shares of face value of ₹ 2 each) through ordinary resolutions passed by the Shareholders of the Company in Extra Ordinary General Meetings of Company held on February 14, 2023 and April 18, 2023, respectively.

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Equity shares with voting rights				
At the beginning of the year	3,215,094	32.15	3,192,037	31.92
Add: Shares issued during the year	179,340	0.36	23,057	0.23
Add: Issued on account of bonus shares during the year (Refer note 16 f)	9,645,282	96.45	-	-
Add: Issued on account of split of shares during the year (Refer note 16 g)	51,441,504	-	-	-
At the end of the year	**64,481,220**	**128.96**	**3,215,094**	**32.15**

b. Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mrs. Poonam Khushlani	13,889,380	21.54%	908,219	28.25%
Mr. Kamal Khushlani	18,120,420	28.10%	1,113,021	34.62%
M/s. Bennett, Coleman & Company Limited	5,231,701	8.11%	406,399	12.64%
M/s. Bella Properties Private Limited	-	0.00%	251,563	7.82%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

c. Details of shares held by promoters at the end of the year *

Class of shares / Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mrs. Poonam Khushlani	13,889,380	21.54%	908,219	28.25%
(Percentage change during the year)		(6.71%)		(0.20%)
Mr. Kamal Khushlani	18,120,420	28.10%	1,113,021	34.62%
(Percentage change during the year)		(6.52%)		(0.25%)
Mr. Andrew Khushlani	1,806,000	2.80%	95,700	2.98%
(Percentage change during the year)		(0.18%)		0.00%
Ms. Sonakshi Khushlani	1,806,000	2.80%	95,700	2.98%
(Percentage change during the year)		(0.18%)		0.00%

* Promoters means promoters as defined in Companies Act, 2013.

d. Shares reserved for issue under options:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Equity Shares of ₹ 2 each with voting rights (for the year ended March 31, 2023 ₹ 10 each with voting right)	2,741,380	5.48	140,036	1.40

e. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 each (Refer note 16 g). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

f. Bonus-issue of equity shares

The Company has allotted 9,645,282 fully paid-up shares of face value ₹ 10 each on April 07, 2023, pursuant to bonus issue approved by the shareholders in the Extraordinary General Meeting dated February 14, 2023. For the bonus issue, bonus share of three equity share for every one equity shares held, has been allotted.

g. Sub-division of equity shares

The Shareholders in their Extraordinary General Meeting dated April 18, 2023 approved sub-division of each authorised and issued equity shares of face value ₹ 10 into five equity shares of face value of ₹ 2 each.

17 OTHER EQUITY

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium	68.70	159.14
Share option outstanding account	14.26	9.02
Retained earnings	3,204.77	2,613.20
Total	**3,287.73**	**2,781.36**

(i) Securities Premium

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	159.14	147.85
Utilisation on issue of Bonus shares	(96.45)	-
Transfer from Share option outstanding account	0.75	11.29
Addition on issue of shares	5.26	-
Balance as at end of the year	**68.70**	**159.14**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(ii) Share option outstanding account

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	9.02	18.02
Recognition of Share based payments	5.99	2.29
Transfer to Share premium	(0.75)	(11.29)
Balance as at end of the year	**14.26**	**9.02**

The above reserve relates to share option granted by the Group to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 37.

(iii) Retained earnings

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	2,613.20	2,159.47
Add: Profit for the year	591.98	775.14
Less: Payment of dividend	-	(321.51)
Add: Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of tax)	(0.41)	0.10
Balance as at end of the year	**3,204.77**	**2,613.20**

Retained earnings comprises of the amounts that can be distributed by the Group as dividends to its equity share holders.

18 BORROWINGS

	Particulars	As at March 31, 2024	As at March 31, 2023
	Secured - at amortised cost		
	Non-current borrowings		
(a)	Term loans from bank (Refer note 1 below)	34.31	67.55
(b)	Vehicle loans from others (Refer note 2 below)	14.15	-
	Total	**48.46**	**67.55**
	Current borrowings		
(a)	**Current maturities of long-term borrowings (secured)**		
	Term loans from bank (Refer note 1 below)	33.24	33.24
	Vehicle loans from others (Refer note 2 below)	3.14	-
		36.38	**33.24**
(b)	**Other Borrowings**		
	Cash credit from bank (Refer note 3 below)	90.51	-
	Working capital demand loan (Refer note 4 below)	200.00	-
		290.51	**-**
	Total	**326.89**	**33.24**

Note:

1 Term loans

1.1 Interest

Interest rate on term loans shall be calculated at a sum of the 6 Month MCLR plus 20 basis points. The interest rate is subject to changes on the base rate of Reserve Bank of India from time to time.

Particulars	As at March 31, 2024	As at March 31, 2023
Interest rate	8.60%	7.85%

1.2 Repayment terms

The repayment schedule of outstanding balances of term loans is as under:

Repayable in	As at March 31, 2024	As at March 31, 2023
2023-24	-	33.24
2024-25	33.24	33.24
2025-26	34.31	34.31
Total	**67.55**	**100.79**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

1.3 Security

Term loan are secured by hypothecation of entire current assets, movable and immovable assets of the Group.

1.4 Prepayment terms

Prepayment of term loan prior to completion of tenure shall attract a penal charge.

2 Vehicle loans

2.1 Interest

Interest rate on vehicle loan as at March 31, 2024 is 8.70% per annum.

2.2 Repayment terms

The repayment schedule of outstanding balances of vehicle loans is as under:

Repayable in	As at March 31, 2024	As at March 31, 2023
2024-25	3.14	-
2025-26	3.42	-
2026-27	3.73	-
2027-28	4.07	-
2028-29	2.91	-
Total	**17.27**	**-**

2.3 Security

Vehicle loan is secured by first and exclusive charge on the corresponding vehicle.

2.4 Prepayment terms

Prepayment of vehicle loan prior to completion of tenure shall attract a penal charge.

3 Cash credit facility

Cash credit from banks are secured by hypothecation of existing current assets and immovable assets of the Group.

4 Working capital demand loan

Working capital facilities and other fund based facilities i.e. working capital demand loan and are secured by hypothecation of inventories, book debts and receivables.

19 OTHER FINANCIAL LIABILITIES

	Particulars	As at March 31, 2024	As at March 31, 2023
	Non-Current		
(a)	Security deposits received	398.98	355.36
	Total	**398.98**	**355.36**
	Current		
(a)	Creditors for capital goods	17.18	17.49
(b)	Interest accrued but not due on borrowings	1.00	0.72
(c)	Interest accrued and due on security deposits	5.54	5.09
	Total	**23.72**	**23.30**

20 PROVISIONS

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Provision for employee benefits:		
Provision for gratuity (Refer note 36)	40.19	38.16
Total	**40.19**	**38.16**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Provision for employee benefits:		
Provision for compensated absences	2.94	2.25
Provision for gratuity (Refer note 36)	8.16	5.04
Other provisions		
Provision for loyalty points	37.62	18.54
Total	**48.72**	**25.83**

Customer Loyalty Points

Particulars	As at March 31, 2024	As at March 31, 2023
As at the beginning of the year	18.54	12.76
Deferred during the year	37.62	18.54
Released to the statement of Profit and Loss	(18.54)	(12.76)
As at the end of the year	**37.62**	**18.54**

The Group estimates the fair value of points awarded under the loyalty programme by applying statistical techniques. Inputs to the model includes making assumptions about expected redemption basis the Group's historic trends of redemption and expiry period of the points and such estimates are subject to significant uncertainty.

21 OTHER LIABILITIES

	Particulars	As at March 31, 2024	As at March 31, 2023
	Current		
(a)	Advances from customers	3.41	9.49
(b)	Statutory dues	15.28	27.02
(c)	Refund liability for expected sales return (Refer note below)	319.21	108.31
	Total	**337.90**	**144.82**

Note:

Other current liabilities include refund liability relating to customers' right to return products as per Group's policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The Group uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method.

22 TRADE PAYABLES

	Particulars	As at March 31, 2024	As at March 31, 2023
(i)	Total outstanding dues of micro enterprises and small enterprises	94.09	118.26
		94.09	**118.26**
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	162.64	275.15
(iii)	Accrued payroll	38.88	31.27
		201.52	**306.42**
	Total	**295.61**	**424.68**

Note:

(i) The average credit period on purchases of goods and services are within 30 to 75 days.

(ii) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

	Particulars	As at March 31, 2024	As at March 31, 2023
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.*		
	Principal	99.24	115.07
	Interest	0.07	0.01
(b)	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	2.62	2.31
(d)	The amount of interest accrued and remaining unpaid at the end of accounting year; and	2.69	2.32
(e)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	0.01	0.87

Dues to Micro and Small Enterprises (MSME) have been determined to the extent such parties have been Identified on the basis of Information collected by the Management. This has been relied upon by the auditors.

*Includes dues of micro, small and medium enterprises (MSME) included within other financial liabilities.

(iii) Trade payable analysis

Outstanding for following periods from date of transaction

	Particulars	As at March 31, 2024	As at March 31, 2023
(a)	**Undisputed dues**		
	Micro, small and medium enterprises		
	Not due	-	-
	Less than 1 year	87.40	118.26
	1-2 years	4.25	-
	2-3 years	2.07	-
	More than 3 years	0.37	-
		94.09	**118.26**
	Others		
	Not due	-	-
	Less than 1 year	159.45	270.42
	1-2 years	1.17	1.63
	2-3 years	1.35	1.26
	More than 3 years	0.67	1.84
		162.64	**275.15**
	Total	**256.73**	**393.41**

(iv) There are no disputed trade payables as at March 31, 2024 and March 31, 2023.

(v) Relationship with Struck off Companies: During the current financial year, Group doesn't have any transactions and outstanding balances with struck off Companies.

23 CURRENT TAX LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax liability (net of advance tax and tax deducted at source)	5.42	-
Total	**5.42**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in ₹ million, unless otherwise stated)

24 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Products	5,673.32	4,981.82
Total	**5,673.32**	**4,981.82**

Reconciliation of revenue recognised with contract price :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from sale of products (gross) at contract price	6,559.16	5,439.28
Less:		
Provision for Sales Return	(210.91)	(42.27)
Customer Loyalty Points & Gift Vouchers	(48.87)	(29.22)
Discount	(626.06)	(385.97)
Net revenue from sale of products	**5,673.32**	**4,981.82**

25 OTHER INCOME

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Interest received		
	Financial assets measured at amortised cost		
	Bank deposits	0.62	9.54
	Security deposits	13.19	12.95
	Income tax	-	0.41
	Others	3.49	33.68
(b)	Other gains and losses		
	Rental income (Refer note 6 (i))	4.46	4.25
	Profit on sale of asset	2.63	-
	Covid-19 related rent concession (Refer note 5b)	-	3.58
	Discount received	9.58	14.71
	Sundry balances written back	2.03	3.00
	Excess provisions written back	-	29.25
	Gain on termination of leases (Net)	5.39	-
	Miscellaneous income	4.73	0.03
	Total	**46.12**	**111.40**

26 COST OF MATERIALS CONSUMED

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Opening stock (including Goods-in-transit)	60.71	51.91
	Add: Purchase of Raw Materials	164.52	287.27
		225.23	**339.18**
	Less: Closing stock (including Goods-in-transit)	(57.67)	(60.71)
	Total (a)	**167.56**	**278.47**
(b)	Purchases of stock-in-trade	2,363.57	2,308.79
	Total	**2,531.13**	**2,587.26**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

27 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Closing stock		
	Finished goods and stock-in-trade	1,191.72	1,073.32
		1,191.72	**1,073.32**
(b)	Opening stock		
	Finished goods and stock-in-trade	1,073.32	605.47
		1,073.32	**605.47**
	Total	**(118.40)**	**(467.85)**

28 EMPLOYEE BENEFITS EXPENSE

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Salaries and wages	287.50	245.41
(b)	Share-based payments (Refer note 37)	5.99	2.29
(c)	Contribution to provident and other funds	4.43	2.96
(d)	Gratuity expenses (Refer note 36)	7.00	6.72
(e)	Staff welfare expenses	10.27	10.25
	Total	**315.19**	**267.63**

29 FINANCE COSTS

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Interest expenses for financial liabilities (classified at amortised cost)		
	Borrowings	22.74	8.96
	Trade payables	2.69	3.19
	Security deposits	24.53	22.00
(b)	Interest on lease liabilities (Refer note 5b)	165.68	115.25
(c)	Interest on delayed payment of taxes	1.22	6.81
(d)	Others	23.72	21.27
	Total	**240.58**	**177.48**

30 DEPRECIATION AND AMORTISATION EXPENSE

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Depreciation on property, plant and equipment (Refer note 5a)	181.02	146.16
(b)	Depreciation on right of use assets (Refer note 5b)	438.99	387.09
(c)	Depreciation on investment properties (Refer note 6)	0.38	0.38
(d)	Amortisation of intangible assets (Refer note 7)	1.51	0.67
	Total	**621.90**	**534.30**

31 OTHER EXPENSES

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Power and fuel	36.16	25.66
(b)	Rent (Refer note 5b)	68.58	47.68
(c)	Repair and maintenance	12.15	5.31
(d)	Insurance expenses	12.72	9.84
(e)	Rates and taxes	21.63	16.17
(f)	Communication	7.53	7.60
(g)	Travelling and conveyance	61.19	43.24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(h)	Printing and stationery	3.93	2.62
(i)	Freight charges	58.53	41.78
(j)	Sales commission	191.34	145.55
(k)	Advertisement	260.24	149.07
(l)	Sales promotion	50.12	24.58
(m)	Net loss on foreign currency transactions and translation other than considered as finance costs	0.01	0.00
(n)	Legal and professional	44.69	52.69
(o)	Payments to auditors (Refer note below)	4.84	7.97
(p)	Expenditure on corporate social responsibility	10.64	6.40
(q)	Loss on property, plant and equipment sold / scrapped / written off	8.44	4.05
(r)	Computer and Software Charges	15.81	11.94
(s)	Labour charges	5.20	5.03
(t)	Security charges	8.22	8.44
(u)	Store Expenses	95.35	73.05
(v)	Courier Charges	15.36	7.85
(w)	Manpower Expenses	323.01	226.66
(x)	Impairment on Investment in Subsidiary	-	-
(y)	Bad debts written off	0.37	0.23
(z)	Security deposit written off	-	4.88
(aa)	Allowance for expected credit loss	7.37	9.41
(ab)	Allowance for doubtful deposits	0.73	1.43
(ac)	Director sitting fees	3.13	0.20
(ad)	Miscellaneous expenses	12.81	16.95
	Total	**1,340.10**	**956.28**

Note:

Payment to auditors comprise (net of tax input credit, where applicable)*:

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	To Statutory auditors for:		
(a)	For Audit	4.51	4.31
(b)	For Other services	0.24	3.61
(c)	Reimbursement of expenses	0.09	0.05
	Total	**4.84**	**7.97**

*excluding payment made related to IPO services. (Refer note 12(iii))

32 TAX EXPENSE

(i) Income tax recognised in Consolidated Statement of Profit or Loss

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Current tax	265.86	309.05
(b)	Short/(Excess) provision of income tax in relation to earlier years	(4.88)	(1.42)
(c)	Deferred Tax charge/(credit)	(64.02)	(44.65)
	Total	**196.96**	**262.98**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(ii) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	788.94	1,038.12
Tax Rate	25.17%	25.17%
Income tax expense calculated	198.56	261.27
Adjustment		
Expense that are not deductible in determining taxable profit	3.46	3.68
Short/(Excess) provision of income tax of earlier years	(4.88)	(1.42)
Others	(0.18)	(0.55)
	(1.60)	**1.71**
Income tax expense recognised in Consolidated Statement of Profit or Loss	**196.96**	**262.98**

(iii) Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax arising on expense recognised in other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(0.14)	0.03
Total	**(0.14)**	**0.03**

33 CONTINGENT LIABILITIES AND COMMITMENTS

	Particulars	As at March 31, 2024	As at March 31, 2023
A.	Contingent Liabilities		
	Claims against the Group not acknowledged as debts (Refer note (i) below)		
	Income tax matters	4.00	4.00
	Goods and service tax matters	3.24	-
	Other matters (Refer note (ii) below)	7.61	7.58
B.	Commitments		
	Estimated amount of contracts remaining to be executed on tangible assets and not provided for (net of advances) (Refer note (iv) below)	2.64	11.12
	Bank Guarantee given (Refer note (v) below)	27.50	-

Notes:

(i) The Group has assessed all its pending litigation and proceedings and has adequately provided where provision are required. The Group has disclosed contingent liabilities wherever applicable. The resolution of these legal proceedings is not likely to have a material and adverse effect on the results of operations or the financial position of the Group.

(ii) Other matters includes:

a) Bonus liability amounting to ₹ 3.87 million for the 2014-15 is pending for settlement with judiciary authorities.

b) The vendors have raised claims amounting of ₹ 3.74 million (as at March 31, 2023 ₹ 3.71 million) on account of non payment as per terms of the respective contracts. The Group has contended that the vendors have not adhered to some of the contract terms. At present the matters are pending before the jurisdictional authorities .

(iii) Apart from the commitments disclosed above, the Group has no financial commitments other than those in the nature of regular business operations.

(iv) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(v) Bank guarantee amounting to ₹ 27.50 million given to Bombay Stock Exchange (BSE) in relation to Initial Public Offer (IPO)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

34 SEGMENT REPORTING

The Group is primarily engaged in the business of retailing of men's casual wear under its Brand MUFTI, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting business segment.

There are no material individual markets outside India and hence the same is not disclosed for geographical segments for the segment revenues or results or assets. During the year ended March 31, 2024 and March 31, 2023, revenue from transactions with a single external customer did not amount to 10 percent or more of the Group's revenues from the external customers.

35 EARNINGS PER SHARE ('EPS')

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic earnings per share		
Profit for the year (A)	**591.98**	**775.14**
Weighted Number of equity shares at the end of the year	64,301,880	3,208,398
Add: Bonus shares issued (Refer note (i) below)	-	9,645,282
Add: Shares increased on account of sub-division (Refer note (ii) below)	-	51,441,504
Add: Shares increased on account of ESOP shares exercised.	27,003	-
Weighted average number of shares outstanding during the year for Basic EPS (B)	**64,328,883**	**64,295,184**
Basic earnings per share in ₹ (C=A/B)	**9.20**	**12.06**
Diluted earnings per share		
Profit for the year (A)	**591.98**	**775.14**
Weighted average number of shares outstanding during the year for Basic EPS	64,328,883	64,295,184
Add: Weighted average number of potential equity shares*	46,661	-
Weighted average number of equity shares for Diluted EPS (B)	**64,375,544**	**64,295,184**
Diluted earnings per share in ₹ (C=A/B)	**9.20**	**12.06**

* Stock options granted to the employees under various ESOP schemes are considered to be potential equity shares. The same is considered in the determination of diluted earnings per share to the extent that they are not anti-dilutive. The stock options are not included in the determination of basic earnings per share.

Notes:

(i) The Company has allotted 9,645,282 fully paid-up shares of face value ₹ 10 each on April 07, 2023, pursuant to bonus issue approved by the shareholders in the Extraordinary General Meeting dated February 14, 2023. For the bonus issue, bonus share of three equity share for every one equity shares held, has been allotted.

(ii) The Shareholders in their Extraordinary General Meeting dated April 18, 2023 approved sub-division of each authorised and issued equity shares of face value ₹ 10 into five equity shares of face value of ₹ 2 each.

36 EMPLOYEE BENEFIT PLANS

Disclosure on Retirement Benefits as required in Indian Accounting Standard (Ind AS) 19 on "Employee Benefits" are given below:

A. Defined Contribution Plan

The Group's contribution to Provident & Other Funds is ₹ 3.84 million for the year ended March 31, 2024 (for the year ended March 31, 2023: ₹ 2.96 million), has been recognised in the Statement of Profit and Loss under the head employee benefit expense.

B. Defined Benefit Plan:

Gratuity

(a) The Group offers to its employees unfunded defined-benefit plan in the form of a gratuity scheme. Benefits under the unfunded defined-benefit plans are based on years of service and the employees' compensation (immediately before retirement). Benefits payable to eligible employees of the Group with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in ₹ million, unless otherwise stated)

(b) This plan typically exposes the Group to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest Risk:

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Mortality risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. entity has to manage pay-out based on pay as you go basis from own funds.

(c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Particulars	Valuation As at March 31, 2024	Valuation As at March 31, 2023
(i)	Discount rate(s)	7.20%	7.46%
(ii)	Expected rate(s) of salary increase	10.00%	10.00%
(iii)	Mortality table used	IALM (2012-14) Urban	IALM (2012-14) Urban
(iv)	Attrition rate		
	Service 1 year and below	35.00% p.a.	35.00% p.a.
	Service 2 years to 3 years	21.00% p.a.	21.00% p.a.
	Service 4 years to 5 years	10.00% p.a.	10.00% p.a.
	Service 6 years & above	5.00% p.a.	5.00% p.a.

The discount rate is based on prevailing market yields of Government of India bonds as at the balance sheet date for the expected term of obligation. The estimates of future salary increases considered, takes into account the inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

(d) The following tables sets out the funded status of the defined benefit scheme in respect of gratuity:

	Particulars	Gratuity As at March 31, 2024	Gratuity As at March 31, 2023
I.	**Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:**		
(i)	Current Service Cost	3.80	4.02
(ii)	Past service cost and (gains)/losses from settlements	-	-
(iii)	Net interest expense	3.19	2.70
	Components of defined benefit costs recognised in profit or loss	**6.99**	**6.72**
	Remeasurement on the net defined benefit liability		
(i)	Actuarial (gains)/loss arising form changes in financial assumptions	0.97	(1.76)
(ii)	Actuarial (gains)/loss arising form changes in demographic assumptions	-	-
(iii)	Actuarial (gains)/loss arising form experience adjustments	(0.42)	1.63
	Components of defined benefit costs recognised in other comprehensive income	**0.55**	**(0.13)**
	Total	**7.54**	**6.59**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss and the remeasurement of the net defined benefit liability is included in 'Other comprehensive income'.

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As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

II. Net Asset/(Liability) recognised in the Balance Sheet

	Particulars	Gratuity As at March 31, 2024	Gratuity As at March 31, 2023
(i)	Present value of defined benefit obligation	(48.35)	(43.20)
(ii)	Fair value of plan assets	-	-
(iii)	Surplus	(48.35)	(43.20)
(iv)	Current portion of the above	(8.16)	(5.04)
(v)	Non current portion of the above	(40.19)	(38.16)

III. Change in the obligation during the year

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation at the beginning of the year	43.20	38.66
Expenses Recognised in Profit and Loss Account	-	-
Current Service Cost	3.80	4.02
Past Service Cost	-	-
Interest Expense (income)	3.19	2.70
Recognised in Other Comprehensive Income	-	-
Remeasurement gains / (losses)	-	-
Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	0.97	(1.76)
ii. Demographic Assumptions	-	-
iii. Experience Adjustments	(0.42)	1.63
Benefit payments	(2.39)	(2.05)
Present value of defined benefit obligation at the end of the year	**48.35**	**43.20**

(e) Sensitivity for significant actuarial assumption is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant:

	Particulars	Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
(i)	**Discount rate**			
	As at March 31, 2024	1%	(3.54)	4.10
	As at March 31, 2023	1%	(3.29)	2.81
(ii)	**Salary growth rate**			
	As at March 31, 2024	1%	(2.91)	2.78
	As at March 31, 2023	1%	2.69	(2.55)
(iii)	**Rate of employee turnover**			
	As at March 31, 2024	1%	(0.41)	0.46
	As at March 31, 2023	1%	(0.33)	0.36

Note:

I. The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

II. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

37 SHARE-BASED PAYMENTS

A. Credo ESOP 2020

a. The shareholders of the Group, vide special resolution dated November 05, 2020, authorised the Board to grant options under one of more stock option plans. Pursuant to the said approval from the shareholders the Board adopted Credo ESOP 2020 and granted options to the permanent employees of the Group for the first time on November 06, 2020, second time on November 06, 2021 and third time on August 14, 2023.

The Group has used the Fair Value Method by applying Black and Scholes Option Pricing Model to account for share-based payments plan.

b. Options granted would vest over a maximum period of 5 years, while the exercise period is 10 years from the date of grant. Options vest on account of passage of time as well as on fulfilling certain performance criteria. The options exercised would be settled in Equity.

c. There were no modification to the awards during the year ended March 31, 2024. As at the end of the financial year, details and movement of the outstanding options are as follows:

	As at March 31, 2024				
Particulars	**Grant 1**	**Grant 2**	**Grant 3**	**Grant 4**	**Grant 5**
Options granted under ESOP					
Options outstanding at the beginning of the year	-	92,074	37,962	10,000	-
Options granted during the year^	-	1,749,406	721,278	190,000	120,000
Options forfeited during the year	-	-	-	-	-
Options exercised during the year	-	(81,340)	(25,000)	(73,000)	-
Options expired during the year	-	-	-	-	-
Options outstanding at the end of the year	-	1,760,140	734,240	127,000	120,000
Options exercisable at the end of the year	-	1.348,620	545,380	7,000	-
Exercise price of the outstanding options (₹)	-	31.35	31.35	31.35	31.35
Remaining contractual life of the outstanding options (years)	-	6.61	6.61	7.61	9.38
Dividend yield (%)	0.39%	0.39%	0.39%	0.39%	0.07%
Expected Life (Time to Maturity)	5.50	6.16	6.08	6.50	6.25
Risk free interest rate (%)	5.44%	5.58%	5.61%	6.12%	7.07%
Volatility*	15.00%	15.00%	15.00%	15.00%	44.04%
Weighted average fair value	489.71	4.92	4.99	6.25	141.02

	As at March 31, 2023				
Particulars	**Grant 1**	**Grant 2**	**Grant 3**	**Grant 4**	**Grant 5**
Options granted under ESOP					
Options outstanding at the beginning of the year	23,057	92,074	37,962	10,000	-
Options granted during the year^	-	-	-	-	-
Options forfeited during the year	-	-	-	-	-
Options exercised during the year	(23,057)	-	-	-	-
Options expired during the year	-	-	-	-	-
Options outstanding at the end of the year	-	92,074	37,962	10,000	-
Options exercisable at the end of the year	-	51,671	19,827	2,000	-
Exercise price of the outstanding options (₹)	-	627	627	627	-
Remaining contractual life of the outstanding options (years)	-	7.85	7.85	8.85	-
Dividend yield (%)	0.39%	0.39%	0.39%	0.39%	-
Expected Life (Time to Maturity)	5.50	6.16	6.08	6.50	-
Risk free interest rate (%)	5.44%	5.58%	5.61%	6.12%	-
Volatility*	15.00%	15.00%	15.00%	15.00%	-
Weighted average fair value	489.71	157.71	99.79	124.93	-

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

The Expected life of the share option is based on historical data and Current expectation and is not necessarily indicative of exercise pattern that may occur.

^ Options granted during the year pertains to additional option granted upon issuance of bonus and sub-division of shares (except for Grant 5, which has been issued post issuance of bonus and sub-division of shares)

Grant 5 issued on August 14, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

38 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Amount required to be spent by the Company during the year	10.64	6.16
(b)	Amount of expenditure incurred	(10.64)	(6.40)
(c)	Short / (Excess) amount spent	-	(0.24)
(d)	Nature of CSR Activities	Promotion of education	Women empowerment and skill development
(e)	Details of related party transactions	-	-
(f)	Where a provision is made with report to a liability incurred by entering into a contractual obligation, the movements in the provision	Not Applicable	Not Applicable

Note :

(i) As per section 135 of the Companies Act, 2013, the amount required to be spent by the Company during the year is disclosed above.

39 RELATED PARTY DISCLOSURE

a. Names of related parties and related party relationships

I. Key management personnel

(a) Mr. Kamal Khushlani (Chairman and Managing Director)

(b) Mrs. Poonam Khushlani (Whole-time Director)

(c) Mr. Amer Jaleel (Independent Director)

(d) Mr. Rasik Mittal (CFO)

(e) Mr. Sanjay Kumar Mutha (Company Secretary) w.e.f. April 07, 2023

(f) Mr. Paresh Bambolkar (Independent Director) w.e.f. May 09, 2023

(g) Mr. Manoj Nakra (Non-executive Director) w.e.f. May 09, 2023

(h) Mrs. Ramona Jogeshwar (Independent Director) w.e.f. May 09, 2023

II. Relatives of key management personnel

(a) Ms. Sonakshi Khushlani (Daughter of Mr. Kamal and Mrs. Poonam Khushlani)

(b) Mr. Andrew Khushlani (Son of Mr. Kamal and Mrs. Poonam Khushlani)

III. Enterprises controlled by / under significantly influenced by Directors and/or their relatives:

(a) Smart Global Solution and Services

(b) Desire 4 India Private Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

b. Related party transactions

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Transactions during the year		
Interest on loan		
Mr. Kamal Khushlani	-	0.06
Mrs. Poonam Khushlani	-	0.06
Remuneration		
Mr. Kamal Khushlani	32.28	36.20
Mrs. Poonam Khushlani	5.04	5.04
Ms. Sonakshi Khushlani	2.00	1.79
Mr. Andrew Khushlani	1.29	0.71
Mr. Rasik Mittal	10.00	10.00
Mr. Sanjay Kumar Mutha	5.11	-
Share-based payments		
Mr. Rasik Mittal	0.36	0.70
Mr. Sanjay Kumar Mutha	4.78	-
Reimbursement of Expenses		
Smart Global Solution and Services	0.15	-
Interim Dividend Paid		
Mr. Kamal Khushlani	-	111.30
Mrs. Poonam Khushlani	-	90.82
Ms. Sonakshi Khushlani	-	9.57
Mr. Andrew Khushlani	-	9.57
Mr. Rasik Mittal	-	0.75
Issue of Equity Shares under ESOP		
Mr. Rasik Mittal	-	0.08
Sitting Fees		
Mr. Amer Jaleel	0.88	0.20
Mr. Paresh Bambolkar	0.90	-
Mr. Manoj Nakra	0.80	-
Mrs. Ramona Jogeshwar	0.55	-
Professional Fees		
Smart Global Solution and Services	3.12	-
Desire 4 India Private Limited	1.10	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

c. Related party outstanding balances

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payables		
Smart Global Solution and Services	0.29	-
Remuneration Payable		
Mr. Kamal Khushlani	10.42	12.25
Mrs. Poonam Khushlani	0.29	0.19
Ms. Sonakshi Khushlani	0.09	0.13
Mr. Andrew Khushlani	0.07	0.10
Mr. Rasik Mittal	1.75	0.71
Mr. Sanjay Kumar Mutha	0.40	-
Provision for share-based payments		
Mr. Rasik Mittal	3.84	3.48
Mr. Sanjay Kumar Mutha	4.78	-
Sitting Fees		
Mr. Amer Jaleel	-	0.05

d. Compensation of key management personnel

The remuneration of directors and other members including relatives of key management personnel during the year was as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short-term benefits	55.72	53.74
Total	**55.72**	**53.74**

Note :

(i) As the liabilities for defined benefit plans are provided on actuarial basis for the Group, the amounts pertaining to Key Managerial Personnel are not included.

40 FINANCIAL INSTRUMENTS

40.1 Capital Management

The Group's objective when managing capital is to safeguard its ability to continue as going concern so that the Group is able to provide maximum return to stakeholders, benefits to other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of total equity (Refer note 16 and 17) and net debt (Refer note 18 and 15).

The Group's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital, risks associated with each class of capital.

Gearing Ratio

Following is the Group's gearing ratio:

Particulars	As at March 31, 2024	As at March 31, 2023
Debt (Refer note (i))	2,531.79	1,919.14
Less: Cash and bank balances	(16.64)	(81.35)
Net Debt (I)	**2,515.15**	**1,837.79**
Total equity (II)	**3,416.69**	**2,813.51**
Net debt to equity ratio (I/II)	**73.61%**	**65.32%**

Note:

(i) Debt is defined as long-term and short-term borrowing and lease liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

40.2 Categories of financial instruments

	Particulars	As at March 31, 2024	As at March 31, 2023
	Financial assets		
	Measured at amortised cost*		
(a)	Trade receivables	2,122.41	1,373.11
(b)	Cash and cash equivalents	16.64	81.35
(c)	Other bank balances	8.29	7.72
(d)	Other financial assets	243.94	207.13
	Financial liabilities		
	Measured at amortised cost*		
(a)	Borrowings	375.35	100.79
(b)	Lease liabilities	2,156.45	1,818.35
(c)	Trade payables	295.61	424.68
(d)	Other financial liabilities	422.70	378.67

At the end of the reporting period, the carrying amount reflected above represents the Group's maximum exposure to credit risk for such Financial assets.

* The fair values of the above financial assets and liabilities approximate their carrying amounts.

40.3 Financial risk management objectives

Ensuring liquidity is sufficient to meet Group's operational requirements, the Group's management also monitors and manages key financial risks relating to the operations of the Group by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk.

40.3.1 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. Market risk includes currency risk, interest risk and price risk. There are no material market risk affecting the financial position of the Group.

40.3.1.1 Currency Risk

Currency risk is the risk or uncertainty arising from possible currency movements and their impact on the future cash flows of a business. There are no material currency risk affecting the financial position of the Group.

40.3.1.2 Interest Risk

Interest risk is the risk or uncertainty arising from possible interest rate movements and their impact on the future obligation and cash flow of a business. There are no material interest risk affecting the financial position of the Group.

40.3.1.3 Price Risk

Price risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. There are no material price risk affecting the financial position of the Group.

40.3.1.4 Foreign currency risk management

The Group undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows.

Particulars	As at March 31, 2024	As at March 31, 2023
Assets (INR)		
USD	0.06	0.06
HKD	0.00	0.00
SGD	0.00	0.00
Total	**0.06**	**0.06**

Foreign currency sensitivity analysis

The Group is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

The following table details the Group's sensitivity to a 10% increase and decrease in the INR against the relevant outstanding foreign currency denominated monetary items. 10% sensitivity indicates management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where Rupee appreciates 10% against the relevant currency. A negative number below indicates a decrease in profit or equity where the Rupee depreciates 10% against the relevant currency.

Particulars	As at March 31, 2024	As at March 31, 2023
Profit or (loss)		
INR strengthens by 10%	(0.01)	(0.01)
INR weakening by 10%	0.01	0.01

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting year does not reflect the exposure during the year.

40.3.2 Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

The concentration of credit risk in relation to trade receivables is high. Credit risk has always been monitored and managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business.

Bank balances are held with reputed and creditworthy banking institutions.

Financial instrument and cash deposit

Credit risk is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counterparty credit limits are reviewed by the Group periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

40.3.3 Liquidity risk management

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Particulars	Weighted average effective interest rate(%)	Upto 1 year	1 - 5 year	More than 5 years	Total	Carrying Amount
As at March 31, 2024						
Non-Interest bearing						
Trade payables	0.00%	295.61	-	-	295.61	295.61
Other financial liabilities	0.00%	23.72	-	-	23.72	23.72
Variable Interest rate instruments						
Term loans from bank	8.60%	33.24	34.31	-	67.55	67.55
Vehicle loans from others	8.70%	3.14	14.15	-	17.29	17.29
Cash credit from bank	0.00%	90.51	-	-	90.51	90.51
Working capital demand loan	7.90%	200.00	-	-	200.00	200.00
Lease Liabilities	8.34%	501.02	1,640.32	711.14	2,852.48	2,156.44
Fixed Interest rate instruments						
Security Deposit received	7.97%	-	398.98	-	398.98	398.98
Total		**1,147.23**	**2,087.76**	**711.14**	**3,946.14**	**3,250.10**

Particulars	Weighted average effective interest rate(%)	Upto 1 year	1 - 5 year	More than 5 years	Total	Carrying Amount
As at March 31, 2023						
Non-Interest bearing						
Trade payables	0.00%	424.68	-	-	424.68	424.68
Other financial liabilities	0.00%	23.30	-	-	23.30	23.30
Variable Interest rate instruments						
Term loans from bank	7.85%	33.24	67.55	-	100.79	100.79
Lease Liabilities	7.47%	433.79	1,274.67	619.87	2,328.33	1,818.35
Fixed Interest rate instruments						
Security Deposit received	7.58%	-	355.36	-	355.36	355.36
Total		**915.01**	**1,697.58**	**619.87**	**3,232.46**	**2,722.48**

Further table below set out the detail of additional undrawn facility that the Group has at its disposal to further reduce liquidity risk:

Particulars	As at March 31, 2024	As at March 31, 2023
Undrawn cash credit limit	609.49	700.00
Undrawn overdue limit	-	-

41 RATIOS

Ratio	Formulae	As at March 31, 2024	As at March 31, 2023	Variance	Reasons
Current Ratio					
Numerator	Current Assets	3,666.81	2,876.45		The variance is on account of utilisation of Cash Credit Facility and Working Capital Demand Loan Facility in current year. Outstanding utilisation amount as at March 31, 2024 is ₹ 326.89 million.
Denominator	Current Liabilities	1,380.54	957.81		
		2.66	3.00	(11.56%)	
Debt-Equity Ratio (#)					
Numerator	Borrowings + Lease Liabilities	2,531.79	1,919.14		The variance is on account of utilisation of Cash Credit Facility and Working Capital Demand Loan Facility in current year. Outstanding utilisation amount as at March 31, 2024 is ₹ 326.89 million.
Denominator	Shareholder's Equity	3,416.69	2,813.51		
		0.74	0.68	8.63%	
Debt Service Coverage ratio (#)					
Numerator	Earnings available for debt service	1,454.46	1,486.92		The variance is on account of 1. Utilisation of Cash Credit Facility and Working Capital Demand Loan Facility in current year. Outstanding utilisation amount as at March 31, 2024 is ₹ 326.89 million. 2. Reduction in profit in CY in comparison with PY.
Denominator	Debt Service	786.10	641.69		
		1.85	2.32	(20.15%)	
Return on Equity Ratio*					
Numerator	Net Profits after taxes	591.98	775.14	(36.61%)	The variance is on account of reduction in profit in CY in comparison with PY.
Denominator	Average Shareholder's Equity	3,115.10	2,585.76		
		19.00%	29.98		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Ratio	Formulae	As at March 31, 2024	As at March 31, 2023	Variance	Reasons
Inventory Turnover Ratio					
Numerator	Revenue from Operations	5,673.32	4,981.82	(14.41%)	The variance is on account of higher inventory in CY in comparison with PY. Goods received for AW season is higher in CY in comparison with PY.
Denominator	Average Inventory	1,191.71	895.70		
		4.76	5.56		
Trade Receivables Turnover Ratio (@)					
Numerator	Revenue from Operations	5,673.32	4,981.82	(15.01%)	The variance is on account of 1. Higher provision for sales return in CY in comparison with PY. 2. Increase in debtor's on account of increased sale in E-Commerce channel.
Denominator	Average Accounts Receivable	1,747.76	1,304.35		
		3.25	3.82		
Trade Payables Turnover Ratio (^)					
Numerator	Total Purchases	2,528.09	2,596.06	6.96%	The variance is not material.
Denominator	Average Trade Payables	360.15	395.58		
		7.02	6.56		
Net Capital Turnover Ratio					
Numerator	Revenue from Operations	5,673.32	4,981.82	(2.59%)	The variance is not material.
Denominator	Average Working Capital	2,102.46	1,798.43		
		2.70	2.77		
Net Profit Ratio (*)					
Numerator	Net Profits after taxes	591.98	775.14	(32.94%)	The variance is on account of reduction in profit in CY in comparison with PY. The reduction is primarily on account of increase in expenses in the current year, other expenses has increase by 361.41 million.
Denominator	Revenue from Operations	5,673.32	4,981.82		
		10.43%	15.56%		
Return on Capital Employed (*)					
Numerator	Earning before interest and taxes	1,029.52	1,215.60	(31.55%)	The variance is on account of reduction in profit in CY in comparison with PY. The reduction is primarily on account of increase in expenses in the current year, other expenses has increase by 361.41 million.
Denominator	Average Capital Employed	5,340.56	4,316.21		
		19.28%	28.16%		
Return on Investment					
Numerator	Earning before interest and taxes	NA	NA		NA
Denominator	Average of Total Investments				

42 ADDITIONAL REGULATORY INFORMATION

(a) Title deeds of all immovable properties are held in the name of the Group.

(b) The Group has not revalued its property, plant and equipment (including right-of-use assets) and other intangible assets during the current and previous year.

(c) No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibitions Act, 1988 and the rules made thereunder.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(d) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 except as disclosed. (Refer note 14(x))

(e) The Group has registered all its charges or satisfaction with Registrar of Companies within the statutory period.

(f) The Group has not been declared wilful defaulter by any bank or financial institution or other lender.

(g) The Group has not advanced or loaned or invested funds to/in any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding that intermediary shall,

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate beneficiaries)

or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries

(h) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that it will,

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate beneficiaries)

or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.

(j) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act 1961.

(k) The Group has not entered into any scheme of arrangement which has an accounting impact on current period or previous financial year.

(l) The Group has not traded or invested in Crypto and virtual currency during the reporting periods.

(m) The Group has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of layers) Rules, 2017.

43 DIVIDEND

(a) The Company has declared and paid dividend amounting to ₹ NIL for the year ended March 31, 2024. (for the year ended March 31, 2023, ₹ 321.51 million)

(b) The Board of Directors has recommended a final dividend of ₹ 0.50 per share of face value of ₹ 2/- each for the financial year 2023-24, subject to the approval of the Shareholders in the ensuing Annual General Meeting.

44 Ministry of Corporate Affairs (MCA) vide its notification number G.S.R. 206(E) dated 24 March 2021 (amended from time to time) in reference to the proviso to Rule 3 (1) of the Companies (Accounts) Amendment Rules, 2021, introduced the requirement of only using such accounting software with effect from April 1, 2023 which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Institute of Chartered Accountants of India ("ICAI") issued an "Implementation guide on reporting on audit trial under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 edition)" in February 2024 relating to feature of recording audit trail.

The Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility wherein:

a) in respect of one software (i) the audit trail feature at the application level was not enabled during the period April 01, 2023 to October 01, 2023, such audit trail feature was enabled from October 02, 2023 and operated throughout the rest of the period for all relevant transactions recorded in the software, and (ii) audit trail feature was not enabled at the database level to log direct data changes throughout the year; and

b) in respect of other software for maintenance of records of loyalty points on sales, the audit trail feature was not enabled.

The subsidiary company incorporated in India, the reporting under the proviso to the Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is not applicable to the said subsidiary company as it is not using any accounting software or package for maintaining its books of accounts.

The Management has adequate internal financial controls over financial reporting which has operated effectively during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2024

(All amounts in ₹ million, unless otherwise stated)

45 CODE ON SOCIAL SECURITY

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

46 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF THE ENTERPRISES CONSOLIDATED AS SUBSIDIARY ARE AS GIVEN BELOW

		Net Assets		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
Name of Entity	Relationship	As % of Consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount
Credo Brands Marketing Private Limited	Holding Company								
March 31, 2024		99.99%	3,416.40	99.94%	591.62	100.00%	(0.41)	99.94%	591.21
March 31, 2023		100.00%	2,813.58	99.92%	774.53	100.00%	0.10	99.92%	774.63
KAPS Mercantile Private Limited	Subsidiary Company								
March 31, 2024		0.01%	0.39	(0.01%)	(0.03)	0.00%	-	(0.01%)	(0.03)
March 31, 2023		0.01%	0.41	(0.10%)	(0.79)	0.00%	-	(0.10%)	(0.79)
Consolidation Adjustments / Eliminations									
March 31, 2024		0.00%	(0.10)	0.07%	0.39	0.00%	-	0.07%	0.39
March 31, 2023		(0.02%)	(0.48)	0.18%	1.40	0.00%	-	0.18%	1.40
March 31, 2024	**Total**	**100.00%**	**3,416.69**	**100.00%**	**591.98**	**100.00%**	**(0.41)**	**100.00%**	**591.57**
March 31, 2023		**100.00%**	**2,813.51**	**100.00%**	**775.14**	**100.00%**	**0.10**	**100.00%**	**775.24**

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(Membership No. A 15884)

Place: Mumbai
Date: May 30, 2024

FORM NO. AOC.1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(All amounts in million, unless otherwise stated)

Sl. No.	Name of the subsidiary	The date since when subsidiary was acquired	Reporting currency	Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Gross Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of share-holding
1	KAPS Mercantile Private Limited	April 28, 2022	INR	NA	21.4	(21.01)	0.45	0.45	Nil	Nil	(0.02)	0	(0.02)	Nil	100%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not Applicable

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(Membership No. A 15884)

Place: Mumbai
Date: May 30, 2024

NOTES

Credo Brands Marketing Limited

B-8 MIDC Central Road, Marol, Andheri (E),
Mumbai - 400093
Corporate :www.credobrands.in
E-Commerce :www.muftijeans.in

NOTICE

Notice is hereby given that Twenty-fifth Annual General Meeting (AGM) of the Members of Credo Brands Marketing Limited ("Company") will be held on Friday, August 30, 2024 at 12:30 P.M. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, together with the Report of the Auditors thereon.
3. To declare Dividend of ₹0.50 per share on Equity Shares for the financial year 2023-24.
4. To appoint Mr. Kamal Khushlani (DIN 00638929), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. MSKC & Associates, Chartered Accountants (ICAI Firm Registration No.: 001595S), as Statutory Auditors of the Company in place of the retiring Statutory Auditors of the Company.

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED that pursuant to sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and Board of Directors of the Company, M/s. MSKC & Associates, Chartered Accountants (ICAI Firm Registration No.: 001595S), be and are hereby appointed as the Statutory Auditors of the Company, to hold the office for a term of five consecutive years from the conclusion of the Twenty-fifth Annual General Meeting until the conclusion of the Thirtieth Annual General Meeting of the Company at such remuneration as may be recommended by the Audit Committee and decided by the Board of Directors in consultation with the Statutory Auditors of the Company.

   FURTHER RESOLVED that the Board of Directors of the Company (including Audit Committee thereof) be and is hereby authorised on behalf of the Company, including but not limited to negotiate, finalise, amend, sign and execute the terms of appointment including any contract or other necessary documents and to determine, alter, revise and vary the scope of work and other terms and conditions of appointment including remuneration, without being required to seek any further consent or approval of the Members of the Company and to do all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to settle any questions, difficulties or doubts that may arise in this regard without further referring to the Members of the Company."

SPECIAL BUSINESS

6. **Ratification of CREDO STOCK OPTION PLAN 2020**

   To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

   "RESOLVED that in conjunction with the earlier Special resolutions passed by the Members at their Extraordinary General Meetings held on November 05, 2020 and July 04, 2023; pursuant to the applicable provisions of section 62 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014 and other applicable Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) **("the Act")**; Memorandum and Articles of Association of the Company; the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time, read with all circulars and notifications issued thereunder **("SEBI SBEB Regulations")**; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, read with all circulars and notifications issued thereunder **("SEBI Listing Regulations")**; Foreign Exchange Management Act, 1999, as amended from time to time, read with rules and regulations framed and circulars and notifications issued thereunder **("FEMA")**; circulars / guidelines / notifications / frequently asked questions issued there under, as amended from time to time by Ministry of Corporate Affairs **("MCA")** and Securities and Exchange Board of India **("SEBI")** and the uniform listing agreements entered into between the Company and the respective stock exchanges where the Equity Shares of the Company are listed (the "**Stock Exchanges**"), such other laws, rules, regulations, notifications, guidelines and laws applicable in this regard, from time to time; and subject to such approval(s) / consent(s) / permission(s) / sanction(s), as may be required, from the appropriate regulatory authorities / institutions / bodies including but not limited to the

Stock Exchanges, SEBI, and/or the Reserve Bank of India, and further subject to such terms and conditions as may be prescribed while granting such approval(s) / consent(s) / permission(s) / sanction(s), and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the **"Board"**, which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board of Directors, or any other committee authorised by the Board from time to time to exercise the powers conferred on the Board by this resolution), Credo Stock Option Plan 2020 (**"Plan" or "Scheme"**), as formulated by the Company, be and is hereby approved and ratified, and the salient features of which are furnished in the Explanatory Statement to this Notice and shall be deemed to be incorporated herein.

RESOLVED FURTHER that the consent of the Members of the Company be and is hereby accorded to the Board, to create, offer, issue, reissue, grant, transfer and allot options, at any time, to or for the benefit of the employee(s) /directors of the Company (as may be permitted under applicable laws) and to issue fresh options, re-issue options that may have lapsed / cancelled / surrendered, already granted under the Scheme.

RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot equity shares upon exercise of options, from time to time, in accordance with the Scheme.

RESOLVED FURTHER that the Board be and is hereby authorised to take necessary steps for listing of the equity shares to be allotted under the Scheme on the Stock Exchanges as per the applicable provisions of the SEBI Listing Regulations, SEBI SBEB Regulations and other applicable laws and regulations.

RESOLVED FURTHER that the equity shares to be allotted by the Company shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER that in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of equity shares, merger/ amalgamation or sale of division/ undertaking or other reorganisation etc., requisite adjustments (which may include adjustments to the number of options and/or exercise price, as the case may be) shall be appropriately made, in a fair and reasonable manner in accordance with the Scheme.

RESOLVED FURTHER that pursuant to the terms of the Scheme, as approved and amended by the Members, the Board be and is hereby authorised to implement, formulate, effect, modify, change, vary, alter, amend, including but not limited to, amendment(s) with respect to vesting conditions, period and schedule, exercise price, exercise period, performance/eligibility criteria for grant / vesting or to suspend, withdraw or terminate the Scheme or on such terms and conditions as contained in the Explanatory Statement to this Notice and the Scheme.

RESOLVED FURTHER that for the purpose of implementation and administration of the Scheme and generally for giving effect to this resolution, the Board be and is hereby authorised, on behalf of the Company, to submit, seek and obtain approvals including in-principle and listing approvals for the Scheme and the equity shares as may be allotted thereunder from time to time from the stock exchanges, to appoint one or more Merchant Bankers, third party advisors / agencies as may be required, to generally take all such steps, to negotiate, execute, sign and deliver all such deeds, documents, instruments, letters and writings and to do all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to delegate all or any of its powers herein conferred to any persons or Committee of Directors and to seek necessary approvals or settle any questions, difficulties or doubts that may arise in this regard without further referring to the Members of the Company."

7. **To fix charges for service of documents on the Shareholders**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED** that pursuant to the provisions of section 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, if any, whereby a document may be served on any shareholder by the Company by sending it to him/her by post or by registered post or by speed post or by courier or by delivery to his office address or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member in advance equivalent to the estimated actual expenses of delivery of the documents pursuant to any request made by shareholder for delivery of such document to him/her through a particular mode of services mentioned above provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the documents by the Company.

RESOLVED FURTHER that any Director or any Key Managerial personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the above matter.

Notes:

1. **Holding of the Annual General Meeting through Video Conferencing/Other Audio-Visual Means**

   Pursuant to the provisions of General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020, General Circular No. 09/2023 dated September 25, 2023 and subsequent relevant Circulars issued in this regard (collectively "**MCA Circulars**") issued by the Ministry of Corporate Affairs (**"MCA"**), the Annual General Meeting ("**AGM"/ "Meeting"**) of the Company is being held through Video conferencing or Other Audio Visual Means (**"VC/OAVM"**), without the physical presence of the Members at a common venue.

   In compliance with the provisions of the Companies Act, 2013 (**"the Act"**) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**), physical attendance of the Members at the AGM is not required. Members can attend and participate at the ensuing AGM only through VC/ OAVM.

   In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (**"ICSI"**), the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since AGM will be held through VC/OAVM, the Route Map for the venue of the AGM, is not annexed to the Notice.

2. Pursuant to the abovementioned MCA circulars, the attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Act.

3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. Additional Information with respect to Item Nos. 4 to 5 and the Explanatory Statement pursuant to section 102 of the Act setting out material facts concerning the business under Item Nos. 6 to 7 of the Notice, is annexed hereto. The relevant details as required pursuant to regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting (SS-2) of the ICSI, in respect of the Director(s) seeking appointment/re-appointment at the AGM, is also annexed hereto.

5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since, this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with.

   Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Bodies Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through remote e-voting.

6. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/ Authorisation etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/ Authorisation shall be sent to the Scrutiniser by e-mail on its registered e-mail address to siroyam@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUFs, NRIs etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter, etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

7. In accordance with the aforesaid MCA Circulars and Master Circular dated July 11, 2023 on compliance with the provisions of the SEBI Listing Regulations by listed entities and SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 07, 2023 issued by Securities and Exchange Board of India ("**SEBI**") (collectively referred to as "**SEBI Circulars**"), electronic copy of the Annual Report for the financial year 2023-24

and the Notice calling of this AGM inter-alia indicating the process and manner of remote e-voting, are being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), (collectively referred to as "Depositories").

Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the RTA Agent by following due procedure.

Copies of the aforesaid Notice and Annual Report for FY 2023-24 are also available on the Company's website https://www.credobrands.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of National Securities Depository Limited ("NSDL") (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

8. **Registrar and Transfer Agent ("RTA")**

Pursuant to the Order passed by National Company Law Tribunal (NCLT) dated December 18, 2023, TSR Consultants Private Limited (Erstwhile RTA of the Company) has been merged with Link Intime India Private Limited with effect from December 22, 2023. Consequently, Link Intime India Private Limited (Link Intime/RTA) would become the RTA of the Company.

9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held in electronic form and to the Company's RTA in case the shares are held in physical form.

Members are requested to send all communications to our RTA at the following address:

Link Intime India Private Limited
C-101, Embassy 247,
L.B.S. Marg, Vikhroli (West)
Mumbai - 400 083
Telephone: +91-8108118484
Fax: +91-22-6656 8494
E-mail: csg-unit@linkintime.co.in

10. **Final Dividend for FY 2023-24**

The Board of Directors of the Company has recommended a dividend of ₹0.50 (25%) per Equity Share of ₹2.00 each of the Company. The proposed dividend, if declared, at the forthcoming Annual General Meeting, will be paid/ credited, subject to deduction of tax at source, as may be applicable, within a period of 30 days from the date of declaration, to those Members whose names appear in the Company's Register of Members or in the list of beneficial owners as per the particulars to be furnished by the Depositories as on the record date i.e. August 21, 2024.

11. **ELECTRONIC CREDIT OF DIVIDEND**

SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agent for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT)/Real Time Gross Settlement (RTGS)/Direct Credit, etc.

Members holding shares in demat form are requested to update their bank account details with their respective Depository Participants ("DPs"). The Company or our RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members.

Members are requested to ensure that their bank account details in their respective demat accounts are updated to enable the Company to provide timely credit of dividend in their bank accounts. In case, the Company is unable to pay dividend to any Member by the electronic mode due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant/demand draft to such Member by post/courier.

12. **TDS ON DIVIDEND:**

Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income has become taxable in the hands of shareholders with effect from April 01, 2020 and therefore, the Company shall be required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, shareholders are requested to refer to the Finance Act, 2024 and amendments thereof. Shareholders are requested to update their Permanent Account Number ("PAN") with the Company or RTA (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode) on or before Friday, August 16, 2024.

A Resident individual shareholder with PAN and whose income does not exceed maximum amount not chargeable to tax or who is not liable to pay income tax, as the case may be, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to Csgexemptforms2425@linkintime.co.in by Friday, August 16, 2024.

Members are requested to note that if the PAN is not correct/ invalid/ inoperative or have not filed their income tax returns, then tax will be deducted at higher rates prescribed under sections 206AA or 206AB of the Income-tax Act, as applicable and incase of invalid PAN, they will not be able to get credit of TDS from the Income Tax Department.

Non-resident shareholders [including Foreign Institutional Investors ("FIIs")/Foreign Portfolio Investors ("FPIs")] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF/JPG Format) by e-mail to Csgexemptforms2425@linkintime.co.in or at Tax Exemption Link : https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html. The aforesaid declarations and documents need to be submitted by the shareholders by Friday, August 16, 2024, in order to enable the Company to determine and deduct appropriate tax.

No communication on the tax determination/ deduction shall be entertained post Friday, August 16, 2024. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from the shareholders, there would still be an option available with the shareholders to file the return of income and claim an appropriate refund, if eligible.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also provide the Company with all information/ documents and co-operation in any appellate proceedings.

13. **INVESTORS EDUCATION AND PROTECTION FUND (IEPF)**

    Pursuant to section 124 of the Act, all dividends declared by the Company have been fully paid to the Members of the Company. There was no amount of dividend that remained unpaid / unclaimed with the Company as on March 31, 2024, which was required to be transferred to the IEPF.

14. **NOMINATION:**

    Members can themselves avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Act. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled-in to the Company's RTA. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

15. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/ OIAE_IAD-1/P/CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/ CIR/2023/**145** dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

    Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ the Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login).

16. In terms of Regulation 40 of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 01, 2019, except in case of transmission or transposition of securities.

17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Act, certificate(s) and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. August 30, 2024. Members seeking to inspect such documents can send an email to Investorrelations@mufti.in.

18. INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:

I. Pursuant to the provisions of section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI Listing Regulations (as amended), Secretarial Standard on General Meetings issued by the ICSI as amended and the MCA Circular(s), the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as voting at the AGM will be provided by NSDL.

II. Members will also be provided with the facility for voting through electronic voting system during the VC / OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote at the end of discussion on the resolution(s) on which voting is to be held, upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote again on such resolution(s).

III. The remote e-voting period commences on Tuesday, August 27, 2024 (9:00 a.m. IST) and ends on Thursday, August 29, 2024, (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialised form, as on Friday, August 23, 2024, i.e. cut-off date, may cast their vote electronically through remote e-voting.

The e-voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-voting facility, either during the period commencing from Tuesday, August 27, 2024 and to Thursday, August 29, 2024, or e-voting during the AGM.

IV. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 23, 2024.

V. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote during the AGM.

VI. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution again.

VII. THE DETAILS OF THE PROCESS AND MANNER FOR REMOTE E-VOTING ARE EXPLAINED HEREIN BELOW:

The way to vote electronically on NSDL e-voting system consists of “Two Steps” which are mentioned below:

<u>**Step 1: Access to NSDL e-Voting system**</u>

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

Type of shareholders	Login Method
	3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/ Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to siroyam@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Prajakta Pawle at evoting@nsdl.com

19. **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice**:
    1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investorrelations@mufti.in.
    2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorrelations@mufti.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
    3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
    4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

20. **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

    1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
    2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
    3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
    4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

21. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under **"Login method for remote e-voting and joining virtual meeting for individual shareholders holding securities in dematerialised mode."**

22. **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

    1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against the Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
    2. Members are encouraged to join the Meeting through Laptops for better experience.
    3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the AGM.
    4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
    5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investorrelations@mufti.in. The same will be replied by the Company suitably.

23. **SPEAKER REGISTRATION AND SUBMISSION OF QUESTIONS / QUERIES PRIOR TO AGM**

    - Members who would like to express their views/ ask questions during the AGM may register themselves as a speaker by sending their request atleast 7 (Seven) days prior to AGM mentioning their name, demat account number/ folio number, e-mail address, mobile number at investorrelations@mufti.in.
    - Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.
    - Members will get confirmation on first cum first served basis.
    - Members who are registered as speakers for the event are requested to download and install necessary software as required for attending AGM.
    - Members are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking
    - Please note that the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
    - The Members who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to the AGM mentioning their name, demat account number/ folio number, e-mail address, mobile number at investorrelations@mufti.in. These queries will be replied to by the Company suitably by e-mail.

24. The Board of Directors has appointed Mr. Mukesh Siroya (Membership No. FCS - 5682) of M/s. M Siroya and Company, Company Secretaries as

the Scrutiniser to scrutinise the remote e-voting process and voting conducted during the AGM through e-voting in a fair and transparent manner.

25. The results shall be declared not later than forty-eight hours from conclusion of the Meeting which is within the time stipulated under the applicable laws. The results declared along with the Scrutiniser's Report will be placed on the website of the Company at https://www.credobrands.in and on the website of NSDL at www.evoting.nsdl.com immediately after the results are declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed and shall be displayed at the Registered Office of the Company.

By Order of the Board of Directors

Sanjay Kumar Mutha
Company Secretary
ACS No. 15884

Registered Office:
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669
Regd. Off.: B 8, MIDC Central Road,
Marol, Andheri (E), Mumbai - 400093
Tel. No.: +91 22 6141 7200
Website: www.credobrands.in
Email: Investorrelations@mufti.in
Mumbai, July 30, 2024

ADDITIONAL INFORMATION WITH RESPECT TO ITEM NOS. 4 AND 5 AND EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS IN ITEM NOS. 6 TO 7 PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mr. Kamal Khushlani (DIN 00638929) – Chairman and Managing Director of the Company is liable to retire by rotation and being eligible, offers himself for re-appointment.

Mr. Kamal Khushlani (aged 57 years) is the Promoter, Chairman and Managing Director of the Company. He has completed his degree in bachelor of commerce from the University of Bombay. He has been associated with the Company since its incorporation and has over 30 years of experience in the field of apparel retail. Mr. Kamal Khushlani is currently involved in product development, brand building, marketing and overall management while providing strategic direction to the Company.

He is a member of Corporate Social Responsibility Committee and Risk Management Committee of the Board of Directors of the Company. He is also a Director of KAPS Mercantile Private Limited. He does not hold any Directorship in any other public companies / bodies corporate.

He holds 18,120,420 Equity Shares in the Company. Except Mrs. Poonam Khushlani, he is not related to any other Directors and Key Managerial Personnel of the Company.

The last drawn remuneration by Mr. Kamal Khushlani from the Company during the financial year 2023-24, was ₹ 3.28 Crore. Mr. Kamal Khushlani had attended 11 Board Meetings during the financial year 2023-24.

He has given a declaration that he is not disqualified from being appointed as a Director in terms of section 164 of the Act.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the Members.

Save and except Mr. Kamal Khushlani and Mrs. Poonam Khushlani and to the extent of shares held by them alongwith their relatives in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

Item No. 5

Appointment of Statutory Auditors

The Members of the Company at their Twentieth Annual General Meeting held on September 30, 2019 had re-appointed M/s. Deloitte Haskins and Sells LLP, Chartered Accountants (Registration number 117366W/W-100018) as Statutory Auditors of the Company for a second term of five consecutive years from the conclusion of Twentieth Annual General Meeting till the conclusion of the Twenty-fifth Annual General Meeting. The current Auditors would be completing their second term as the Statutory Auditors of the Company upon conclusion of the forthcoming Annual General Meeting.

Accordingly, the Board, as recommended by the Audit Committee, has proposed the appointment of M/s. MSKC & Associates, Chartered Accountants (ICAI Firm Registration No.: 001595S, as the Statutory Auditors of the Company, in place of retiring Auditors to hold office for a term of five consecutive years from the conclusion of the Twenty-fifth Annual General Meeting of the Company until the conclusion of the Thirtieth Annual General Meeting of the Company, in accordance with the provisions of Section 139 of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014.

The remuneration proposed to be paid to M/s. MSKC & Associates for the financial year 2024-25 shall not exceed ₹0.26 crore plus applicable taxes and out of pocket expenses, as may be incurred, in connection with the audit of annual standalone and consolidated financial statements and financial results, limited reviews of quarterly results as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and audit of internal financial controls over financial reporting.

The Board and the Audit Committee while recommending the appointment of new Statutory Auditors, have considered the relevant parameters including but not limited to their expertise and experience in the Company’s business verticals and segments, market standing of the firm, clientele and technical knowledge. The remuneration proposed to the new Statutory Auditors is reasonable and commensurate with their expertise, size of the firm, scope and coverage of audit, size of the Company’s business and assets and the time & efforts required to be put by new Auditors for FY 2024-25.

The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors. The remuneration proposed to be paid to the Statutory Auditors for the subsequent years of the term will be determined by the Board of Directors from time to time based on the recommendations of the Audit Committee and in consultation with the Statutory Auditors, which will be commensurate with the services rendered by them during the said term. Besides the audit services, the Company would also avail other permitted services from the Statutory Auditors, as may be required from time to time, for which the Auditors will be remunerated separately on mutually agreed terms.

Brief profile of Auditors

M/s MSKC & Associates is an Indian Partnership Firm registered with the Institute of Chartered Accountants of India (ICAI). M/S MSKC & Associates offers a range of Audit and Assurance services, led by experienced partners and teams with deep knowledge pockets and driven by a commitment to deliver high-quality services to all clients.

The firm has over twenty partners and provides a range of services inter alia under Audit & Assurance including Statutory Audit, Tax Audit, Internal Financial Controls Audit and Assurance services related to GAAP Conversion, Accounting Manuals, Capital Market Transaction Audit Support etc. The firm has clients both Listed and Unlisted across sectors including Manufacturing, Consumer & Retail, Infrastructure and Realty, Technology & Media & Financial Services. The firm has a well-qualified team to support the Partners and has its own suite of audit technology.

The firm has wide presence in India across 11 cities including Ahmedabad, Bengaluru, Chandigarh, Chennai, Goa, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, and Pune.

M/s. MSKC & Associates have given their consent for their appointment as Statutory Auditors of the Company and have issued a certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of section 139 read with section 141 of the Act and the rules made thereunder.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

Item No. 6

The Company implemented the Credo Stock Option Plan 2020 inter alia with a view to align the interests and personal goals of the employees with Organisational objectives by participating in the ownership of the Company.

The Members of the Company at their Extraordinary General Meeting held on November 05, 2020 has approved issuance of Employees Stock Options ("Option") and accordingly the Board of Directors of the Company had formulated Credo Stock Option Plan 2020" ("**Credo Stock Option Plan 2020"** or "Scheme"). The Company has implemented the Scheme and granted Options to eligible employees under the Scheme.

Subsequently, the Shareholders of the Company have approved the issue and allotment of Bonus shares in the ratio of 3:1 on April 07, 2023 and thereafter Subdivision of one equity shares of ₹ 10 each into five equity shares of ₹ 2 each on April 18, 2023 ("Corporate Actions"), pursuant to which the issued, subscribed and paid-up equity share capital of the Company have been increased/given effect. Pursuant to the aforesaid Corporate Actions undertaken by the Company, appropriate adjustments were made to the stock options (which includes vested, unvested and yet to be granted stock options) and also respective exercise price to the stock options, which have already been granted to eligible employees of the Company under the Credo Stock Option Plan 2020 and were remained outstanding as on that date.

The Scheme has further been revised in line with the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, vide Special resolution passed by the Shareholders of the Company at their Extraordinary General Meeting held on July 04, 2023.

The Company envisages the need to attract the key talent and to enhance the employee engagement by rewarding and retaining the key employees for their association and performance as well as to motivate the employees to contribute to the growth and profitability of the Company.

During the financial year 2023-24, the Company has also successfully completed its Initial Public Offering ("IPO") of 19,634,960 Equity Shares of face value of ₹2 each of the Company (the "**Equity Shares**") by way of an Offer for Sale of Equity Shares held by existing shareholder(s) of the Company. The Equity Shares of the Company have been listed on the BSE Limited and the National Stock Exchange of India Limited with effect from December 27, 2023.

In terms of Regulation 12(1) of the SEBI SBEB Regulations, no company shall make any fresh grant which involves allotment or transfer of equity shares to eligible employees under any ESOP scheme formulated prior to its Initial Public Offering ("IPO") and prior to the listing of its equity shares ('Pre-IPO Scheme') unless:

(i) Such Pre-IPO Scheme is in conformity with the SEBI SBEB Regulations; and

(ii) Such Pre-IPO Scheme is ratified by its members subsequent to the IPO.

The Board of Directors, at its meeting held on May 30, 2024, based on the recommendation of Nomination and Remuneration Committee ("NRC") approved the proposal for ratification of the Scheme and recommended to the Members to ratify the Scheme by way of special resolution.

Further, the salient features of the Scheme and various disclosures in terms of the SEBI SBEB Regulations read with the relevant schedule and applicable provisions of the Companies Act, 2013, are provided hereunder:

1. **Brief description of the Scheme**

Pursuant to the requisite approvals obtained from the Members of the Company, the Company formulated 'Credo Stock Option Plan 2020' ("Credo Stock Option Plan 2020 or "Scheme") inter alia with a view to align the interests of the employees with those of shareholders and to motivate the employees to contribute to the growth and profitability of the Company.

The Company ensures that the Scheme and the issue of Options thereunder is in line with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations").

The NRC of the Company shall act as the Compensation Committee for administration and supervision of the Scheme.

2. **Total number of Options to be offered and granted**

The total number of Options as may be granted pursuant to the Scheme, in one of more tranches, to the employees shall not exceed 51,07,300 (Fifty-One Lakh Seven Thousand Three Hundred) Options (as adjusted for changes in capital structure of the Company).

Out of the total number of options, 3,381,860 Options (as adjusted for changes in capital structure of the Company) have already been granted to the eligible employees and 1,725,440 Options are available for grant under the Scheme.

Each Option when exercised would be converted into one equity share of the Company of face value of ₹ 2/- each (Rupees Two each), each fully paid-up in accordance with the terms and conditions of the Scheme. Any options cancelled/ lapsed shall be available for further grant under the Scheme.

In case of any corporate action(s) including but not limited to such as merger, demerger, sale of division, stock split, consolidation, rights issues, bonus issues and others, a fair and reasonable adjustment shall be made to the Options granted. Accordingly, if any additional equity shares are issued by the Company to the employees for making such fair and reasonable adjustment, the ceiling of equity shares as stated above shall be deemed to be increased to the extent of such additional equity shares issued. The Nomination and Remuneration Committee ("NRC" or "Committee") shall determine the nature, manner and the extent of the adjustment to be made as a consequence of any such corporate action.

3. **Identification of classes of employees entitled to participate and be beneficiaries in the scheme**

In accordance with the provisions of the SEBI SBEB Regulations and the Scheme, the following classes of employees shall be entitled to participate and be beneficiaries under the Scheme:

a. an employee as designated by the Company, who is exclusively working with the Company in India or outside India; or

b. a director of the Company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director, but does not include:

    i. an employee who is a promoter or a person belonging to the promoter group; or

    ii. a director who, either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company.

The specific employees to whom the Options would be granted, would be determined by the Committee, at its absolute discretion, from time to time in accordance with SEBI SBEB Regulations and the Scheme.

4. **Requirements of vesting and period of vesting and maximum period (subject to the Regulation 18 of the SEBI SBEB Regulations) within which the Options shall be vested**

Except in case of permanent incapacity or death of the employees, the Options shall vest not earlier than one year and not later than five years from the date of grant thereof.

Vesting of Options would be a function of continued employment with the Company (passage of time), achievement of performance or any other criteria as may be specified by the Committee and communicated at the time of grant of Options.

The specific terms and conditions and vesting schedule, subject to which vesting would take place would be determined by the Committee in accordance with SEBI SBEB Regulations and the Scheme and shall be communicated to the employees at the time of grant of Options.

5. **Exercise price or pricing formula**

Exercise Price shall not be less than the face value per share per Option (which may be adjusted for changes in capital structure of the Company or any corporate action in accordance with the Scheme) and shall be determined by the Committee at the time of Grant as it may deem fit in its absolute discretion.

6. **Exercise period / offer period and process of exercise / acceptance of Offer**

The exercise period shall be the period after vesting of Options (and subject to any additional restrictions on exercise) within which an employee may exercise the Options vested in him in pursuance of the Scheme and will be determined by the Committee at the time of each grant as it may deem fit in its absolute discretion, subject to compliance with all applicable laws and would not exceed 10 (Ten) years from the date of grant as per the terms of the Scheme.

Except in certain specified circumstances such as death, permanent incapacity etc., the Options will be exercisable by the employee and/or nominee of the employee, in such manner, as prescribed in the Scheme or as may be additionally prescribed by the Committee, from time to time.

The Options shall lapse if not exercised within the specified exercise period.

7. **The appraisal process for determining the eligibility of employees for the Scheme**

The Committee shall, based upon the appraisal process and the eligibility criteria (including but not limited to performance, merit, grade, conduct, the present and potential contribution to the success, growth and development of the Company, retention of employees and length of service of the employee), determine the eligibility of the employees to the Scheme.

The appraisal process and the eligibility criteria would be determined by the Committee, at its absolute discretion, from time to time.

8. **Maximum number of options to be offered and issued per employee and in aggregate, if any**

The total number of Options granted and to be granted pursuant to the Scheme, in one of more tranches, to the employees shall not exceed 51,07,300 (Fifty-One Lakh Seven Thousand Three Hundred) Options (as adjusted for changes in capital structure of the Company). Out of the total number of options, 32,61,860 Options (as adjusted for changes in capital structure of the Company) have already been granted to the eligible employees and 1,725,440 Options are available for grant under the Scheme.

The number of Options that should be granted to an employee under Scheme shall be decided by the Nomination and Remuneration Committee.

Save and except and subject to the applicable laws, the Company do not intent to grant more than or equal to 1 (one) % of the issued and paid-up share capital as on the date of grant, in any fiscal year of the Company, to any eligible employee of the Company.

9. **Maximum quantum of benefits to be provided per employee under the Scheme**

The quantum of benefit that should be provided to an employee under Scheme shall be decided by the terms and conditions mentioned in the grant letter and number of options granted by the Nomination and Remuneration Committee, from time to time.

10. **Whether the Scheme is to be implemented and administered directly by the company or through a trust**

The Scheme is implemented and administered directly by the Company.

11. **Whether the Scheme involves new issue of shares by the company or secondary acquisition by the trust or both**

The implementation of the Scheme involves issue of new equity shares by the Company to the employees.

12. **The amount of loan to be provided for implementation of the Scheme by the Company to the trust, its tenure, utilisation, repayment terms, etc.**

Not Applicable, as the Scheme is implemented and administered directly by the Company.

13. **Maximum percentage of secondary acquisition (subject to limits specified under the SEBI SBEB Regulations) that can be made by the trust for the purposes of the Scheme**

Not Applicable, as the Scheme is being implemented and administered directly by the Company.

14. **A statement to the effect that the company shall conform to the accounting policies specified in Regulation 15 of the SEBI SBEB Regulations**

The Company shall conform to the accounting policies prescribed by Applicable Laws from time to time including but not limited to all the applicable disclosure and accounting policies in respect of Options granted as required under the Act, SEBI SBEB Regulations, guidelines and the guidance note issued by the Institute of Chartered Accountants of India.

15. **The method which the company shall use to value its options**

The Company shall use the fair value method for valuation of the Options. Fair valuation of the Options will be carried out using the Black-Scholes Option Pricing model. The fair value of the Options shall be the basis for accounting for the ESOP charge in the Company's profit and loss statement.

16. **The following statement, if applicable**

"In case the Company opts for expensing of share based employee benefits using the intrinsic value,

the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' Report."

The above statement is not applicable since the Company recognises share-based employee benefits expense using fair value of options as per the Black-Scholes Option pricing model as aforesaid.

17. **Period of lock in**

There will be no lock-in period in respect of the equity shares, which may be issued / allotted on exercise of the Options granted pursuant to the Scheme.

18. Terms & conditions for buyback, if any, of specified securities covered under SBEB Regulations

Not Applicable

19. **Listing**

The equity shares to be issued and allotted pursuant to the exercise of the Options under the Scheme will be listed on the BSE Limited and National Stock Exchange of India Limited.

20. Other terms

The Company may vary, modify or alter the terms of the Scheme in compliance with the SEBI SBEB Regulations. The Scheme shall continue to be in force until (i) its termination by the Committee, or (ii) the date on which all the Options as defined hereinafter available for issuance under the Scheme have been granted and exercised.

The Board of Directors recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the Members.

Save and except Directors and Key Managerial Personnel to the extent of shares held by them alongwith their relatives in the Company and Stock Options held by Key Managerial Personnel, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice.

Item No. 7

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him/her through a particular mode for which he/she shall pay such fees as may be determined by the company in its Annual General Meeting. Therefore, to enable the Members to avail this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

By Order of the Board of Directors

Sanjay Kumar Mutha
Company Secretary
ACS No. 15884

Registered Office:
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669
Regd. Off.: B 8, MIDC Central Road,
Marol, Andheri (E), Mumbai - 400093
Tel. No.: +91 22 6141 7200
Website: www.credobrands.in
Email: Investorrelations@mufti.in
Mumbai, July 30, 2024